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KNOW ALL MEN BY THESE PRESENTS, Joyce K. Ward, hereinafter called the "GRANTOR", does hereby grant and convey to the CITY OF KLAMATH FALLS, OREGON hereinafter called the "GRANTEE", its successors and assigns, an exclusive utility easement ten (10) feet wide, over under and across that property conveyed to the Grantor by for the purpose of the Klamath County deed records. The easement changing, relocating, removing and/or replacing, maintaining, pipeline and necessary connections to Grantor's geothermal heating system to capture all of the geothermal discharge from said system, as follows:

A strip of land ten (10) feet wide, lying five (5) feet on each side of the following described centerline: Beginning at a point on the northerly line of Main Street, said point being S.89°18'E. a distance of 902.2 feet from the southeast corner of Block 57, Second Hot Springs N.00°42'E., 100.00 feet; thence N.59°55'06"E., 35.40 feet to the end of said 10 foot wide easement.

TOGETHER with the right of ingress to and egress from said easement upon and across the property covered by said easement, and such other property adjacent thereto and owned by the Grantor as is necessary to gain access to the property covered by said easement for the purpose of exercising any and all rights hereby granted. Grantor reserves and retains the right to use said easement in any exercise of the rights hereby granted to the Grantee, but Grantor agrees not to build, maintain or construct nor to permit the engineering works or other structure on said easement.

IN CONSIDERATION for this court and overed by said easement.

IN CONSIDERATION for this easement, Grantee shall assume the responsibility of disposing of the captured geothermal water in a manner consistent with all applicable local, state and federal rules and regulations, and shall save and hold Grantor harmless from any recaptured geothermal waters.

TO HAVE AND TO HOLD said easement unto said Grantee, its successors and assigns forever, and the Grantor hereby warrents that she is the owner in fee simple of said above described property and have good right to grant and convey said easement therein.

WITNESS my hand this 35th day of 4 therein.

| | Joyce/K. Ward |
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| on othis 25th day appeared before me the wito be the identical indiwithin instrument, and ac freely and voluntarily. | of, 1986, personally thin named Joyce K. Ward, who is known to move vidual described in and who executed the knowledged to me that she executed the same |

Notary Public for Oregon

My Commission expires:

After recording, return to: City Recorder, P. O. Box 237, City

STATE OF OREGON: COUNTY OF KLAMATH: ss.

| Filed for record at request | of |
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| ofJune | A.D., 19 36 at 3:14 o'clock P.M., and duly recorded in Vol. M86 |
| FEE \$5.00 | on Page 10670 Evelyn Biehn, County Clerk By |