

This Agreement is made between Bertha Hultman, Klamath Falls, Oregon, hereinafter called "Licensor" and Roy Ruhkala and Marjorie Ann Ruhkala, husband and wife, Rocklin, California, hereinafter called "Licensees".

## RECITALS

1. Licensor is the owner of real property described in Exhibit A which is attached hereto and by this reference incorporated herein, more commonly known as 330 Pacific Terrace, Klamath Falls, Oregon. Improvements on Licensor's property described herein consist of a single family residence and non-attached garage.

2. Licensees are the owners of real property described in Exhibit B which is attached hereto and by this reference incorporated herein, more commonly known as 1929 to 1938 Erie and 346 Pacific Terrace, all in Klamath Falls, Oregon. This real property lies generally to the North of the real property owned by Licensor which is described above. Improvements on Licensees' property described herein consist of an apartment house at 1929 to 1938 Pacific Terrace and a single family residence at 346 Pacific Terrace.

3. Licensor and Licensees constructed a geothermal reinjection well sharing all costs of construction for the well itself. Licensor is the owner of the real property where the reinjection well is located. The reinjection well is located on the Western border of Licensor's lot, six (6) feet more or less from the border.

4. Current improvements on Licensees' property are heated by one geothermal extraction well located on Licensees' property described above. Licensees desire to reinject the water extracted from Licensees' well in to the reinjection well on Licensor's property.

5. Current improvements on Licensor's property are heated by one geothermal extraction well located on Licensor's property

described above. Licensor desires to reinject water extracted from Licensor's well into the reinjection well on Licensor's property.

6. Licensor and or Licensees at some future date may desire to pump water from the reinjection well to heat Licensor's and/or Licensees' current improvements as described above.

The parties in consideration of their mutual promises each to the other, agree as follows:

#### Section 1

##### LICENSE

Subject to the conditions and terms hereinafter set forth, Licensor grants Licensees a License to reinject into the reinjection well on Licensor's property geothermal water from Licensees' extraction well used to heat improvements presently existing on Licensees' property. Licensor and Licensees mutually grant a License to the other to extract water from the reinjection well to heat Licensor's and/or Licensees' current improvements as described in paragraphs 1 and 2 of the Recitals.

#### Section 2

##### MAINTENANCE

Licensor and Licensees agree that all costs involved in the maintenance and operation of the reinjection well shall be shared equally. Maintenance work to be performed on the reinjection well shall be by agreement between the parties. The costs of maintaining pipe running from each party's extraction well to the well head of the reinjection well shall be the responsibility of the party being served by such pipe. If either party desires to extract water from the reinjection well to heat their respective improvements identified herein, the party pumping from the reinjection well shall be responsible for all costs associated with said extraction and shall assume all risks as to the feasibility of said extraction.

#### Section 3

##### PROPERTY TAXES

The parties agree that they will share in yearly property taxes attributed solely to the reinjection well or to any increase

in Licensor's property taxes which are attributed to the reinjection well.

#### Section 4

##### LICENSE TO RUN WITH LAND

Subject to the conditions set forth herein, this License is to and shall run with the land, and shall be for the benefit and use of Licensees, their heirs, executors, administrators and assigns and to the benefit and use of Licensor, her heirs, executors, administrators and assigns. The parties further agree that they will record this instrument in the Deed Records of Klamath County, Oregon.

#### Section 5

##### DURATION OF LICENSE

This license shall continue in force and effect for as long as the reinjection well continues to operate as a reinjection well (i.e. where used geothermal water from the parties respective geothermal extraction wells is injected into the reinjection well described herein and all necessary federal, state and local permits are current). In the event the License is terminated for whatever reason, the Licensees forfeit all right, title and interest in the reinjection well.

#### Section 6

##### ACCESS

For the purposes of transferring Licensees' extracted geothermal water to the well head of the reinjection well and transferring water extracted from the reinjection well to Licensees' property in accordance with this License, Licensor grants to Licensees the right to enter upon Licensor's land and to excavate, install and maintain water lines from the Northern boundary of Licensor's property directly to the well head of the reinjection well. Said water lines are to be buried at a depth of not less than two (2) feet.

## Section 7

## CONDITIONS OF LICENSE

In addition to all other terms and conditions stated herein, this License shall be subject to the following conditions:

A. The reinjection well constructed by the parties is sufficient presently to accept geothermal water used to heat improvements on Licensor's property as described in paragraph 2 of the Recitals and to accept geothermal water used to heat improvements on Licensees' property as described in paragraph 1 of the Recitals. Licensor currently injects approximately 360 gallons per day during the months June, July, August and September; 2880 gallons per day during the months October, November, April and May; and 5040 gallons per day during the months December, January, February and March. The parties agree that Licensor may increase the volume of her geothermal water injections to the reinjection well to equal the volume of geothermal injections by Licensees. Any increase in volume of injections of geothermal water to the reinjection well, over and above that described herein, will be allowed only on written agreement of all the parties.

B. Licensees do not by this License acquire any interest in the real property of Licensor.

C. Time is of the essence. If Licensees shall fail to pay one-half of the agreed maintenance costs of the reinjection well or fail to pay one-half of the costs of all appropriate federal, state and local permits within thirty (30) days of written notification by Licensor of the amount thereof, this agreement shall terminate and be of no further force or effect. In the event the Licensees are terminated under this section, Licensees forfeit all right, title and interest in the reinjection well.

D. Licensor and Licensees shall jointly obtain and maintain all appropriate federal, state and local permits for operation of the reinjection well.

E. No party guarantees to the other the availability, amount or extent of capacity of the reinjection well or the temperature of water reinjected or pumped from the reinjection well.

## Section 8

## HOLD HARMLESS

Licensees shall indemnify Licensor against any and all loss, claims or suits (including costs and attorney fees) for or on account of injury to or death of persons, damage to or destruction of property belonging to either Licensor or others, occurring by reason of the act or neglect of Licensees, Licensees' agents or employees, in connection with this License.

## Section 9

## ATTORNEY FEES

In case suit or action is instituted to enforce compliance with any of these terms, covenants or conditions of this License, or to terminate the agreement, the losing party agrees to pay such further sums as the trial or appellate court shall adjudge reasonable as the prevailing party's attorneys fees.

## Section 10

## REPRESENTATION/FEES

It is acknowledged by the parties hereto that this agreement was drafted by Licensor's attorney and that Licensees have been represented by their own counsel or sought legal or other advise as they deemed necessary. Licensees specifically acknowledge that they are not represented by Licensor's attorney. The parties do agree that legal fees for the preparation of this document shall be shared equally by Licensor and Licensees.

## Section 11

## COMPLETE AGREEMENT

This document contains the complete agreement between the parties and may not be modified except by written agreement signed by all the parties. The rule of construction that a written agreement is construed against the party preparing or drafting such agreement shall specifically not be applicable in the interpretation of this agreement or any documents executed and delivered under this agreement.

IN WITNESS WHEREOF, the parties have set their hands on the  
dates written.

## LICENSOR

April 8, 1992  
Date

Bertha H. Hultman  
Bertha H. Hultman

## LICENSEE

12/2/91  
Date

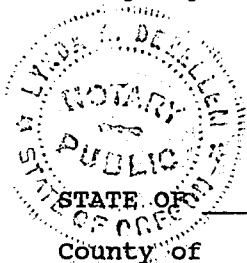
Roy Ruhkala  
Roy Ruhkala

12/2/91  
Date

Marjorie Ann Ruhkala  
Marjorie Ann Ruhkala

STATE OF OREGON     )  
                                  ) ss.  
County of Klamath

Personally appeared the above named Bertha H. Hultman before  
me on the 8th day of April, <sup>1992</sup>~~1991~~, and acknowledged the  
foregoing instrument to be her voluntary act and deed.



Lynda L. Dyllen  
Notary Public for Oregon  
Commission expires: 9/12/92

STATE OF CALIFORNIA     )  
                                  ) ss.  
County of PLACER

Personally appeared the above named Roy Ruhkala before me on  
the 2nd day of December, 1991, and acknowledged the  
foregoing instrument to be his voluntary act and deed.



A. Kircham  
Notary Public for STATE OF CALIFORNIA  
Commission expires: 9/25/95

STATE OF CALIFORNIA )  
County of PLACER ) ss.

8121

Personally appeared the above named Marjorie Ann Ruhkala  
before me on the 2nd day of December, 1991, and  
acknowledged the foregoing instrument to be his voluntary act and  
deed.



A. Kirkham  
Notary Public for STATE OF CALIFORNIA  
Commission expires: 9/25/95

## EXHIBIT A

330 Pacific Terrace

Lot 3, Block 42, HOT SPRINGS ADDITION to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

## EXHIBIT B

1929 - 1938 Erie

Lot 1, Block 42, excepting therefrom the Northeast 93 feet, HOT SPRINGS ADDITION to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

346 Pacific Terrace

The Northeast 93 feet of Lot 1, Block 42, HOT SPRINGS ADDITION to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Return: Melvin Ferguson  
325 Main St  
Klamath Falls, Or. 97601

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Melvin Ferguson the 16th day  
of April A.D., 19 92 at 3:48 o'clock P. M., and duly recorded in Vol. M92,  
of Deeds on Page 8115.

FEE \$65.00

Evelyn Biehn . County Clerk

By Pauline Mullens