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Aspen Title #01038592
AGREEMENT

THIS AGREEMENT made this 24th day of June, 1992, between Theodore H. Gehrman and Muriel F. Gehrman, husband and wife, hereinafter referred to as sellers, and James Roemer and Janice Roemer, husband and wife, hereinafter referred to as buyers.

RECITALS

I.

Sellers are the owners of a parcel of real property located in Klamath County Oregon, and more fully described as:

Lots 1 and 2 of block 12, Hillside
Addition to the City of Klamath Falls,
Klamath County, Oregon.

II.

Buyers are purchasing a parcel of property located in Klamath County Oregon, and more fully described as:

Lot 2, Block 12, Hillside Addition to
the city of Klamath Falls, Klamath County,
Oregon.

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III.

Sellers have developed and now own a geothermal hot water well, 273 feet in depth and not less than eight inches in diameter, on buyers' real property described above.

IV.

Sellers wish to sell and buyers wish to Purchase an undivided one-quarter interest in the above-described well.

The Parties agree:

---SECTION ONE---

---DESCRIPTION OF PROPERTY TRANSFERRED---

For and in consideration of the sum of Fifty thousand dollars (\$50,000) to be paid by buyers to sellers of real property listed above as provided in this agreement, seller hereby sell to buyers and buyers hereby purchase from sellers:

- a. An undivided one-quarter interest in sellers eight inch geothermal hot water well located on buyers property located at 1436 Eldorado Avenue and more fully described above; and
- b. The casing and black pipe heating coil used in connection therewith.

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---SECTION TWO---

---INSTALLATION AND MAINTENANCE---

Each of the parties agree to be responsible for maintaining the delivery lines from the wells to their respective homes. Each of the parties agree to maintain the heating system within their respective homes. Parties further agree that all maintenance costs of the well, casing and loop shall be shared equally. In the event that any repair or replacement of the well casing or the coil is required, the parties expressly agree to cooperate fully in making such repair or replacement to insure that the necessary equipment, operator and supplies, can be obtained to make such repair or replacement as soon as practical. The parties further agree to pay for or to arrange for the payment of their respective shares of the cost of said repair or replacement as soon as is reasonably possible.

---SECTION THREE---

---WARRANTY---

The parties recognize that the heat and water which are produced in a geothermal well such as is the subject of this agreement, is the product of a natural phenomenon and that accordingly, neither party has any substantial control over the resource. Each party agrees to cooperate fully with the other however, to maximize the beneficial use and enjoyment of the well by both parties to the agreement. The sale of the well as aforesaid is made by sellers to buyers on an "as is" basis. Sellers make no representations nor warranties of any kind, including but not limited to guarantees about the serviceability, duration, temperature, or quality of the well or the water therein. Sellers agree to rely exclusively upon their own inspection and upon the inspection of consultants retained by buyers to determine the true condition of the well.

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---SECTION FOUR---

It is the intention of the parties that the well which is the subject of this agreement shall be used by the parties to supply the respective single-family dwellings of each of the parties with hot water for domestic use in space heating and other domestic requirements. Neither party shall expand the use of the well, water and heat, other than as set forth without the consent of the other. The consent of both parties shall, however, be readily given to contemplated expanded use so long as the serviceability of the well, water and heat produced therein, is not impaired by expanded use.

In the event that at any future time there is insufficient heat, water or temperature, to heat on the parties' properties, then and in that event the heating requirements of the sellers' home shall have priority. In such event, if there is insufficient heat or water to heat both parties property and in the further event that the exercise of the sellers' priority rights as set forth herein results in insufficient heat for buyers as a result, buyers are unable to continue use of the well, then a prorated cash payment will be made in compensation. In that event, all rights of the buyers to the well as granted hereunder will cease. If the parties cannot agree on an equitable amount as compensation due from buyers to sellers, such amount shall be established by an impartial arbitrator selected by the parties.

---SECTION FIVE---

---ASSIGNMENT---

This agreement shall bind and inure to each of the parcels of land described above, be appurtenant thereto and run therewith. The agreement shall bind the heirs, successors and assigns each of the parties.

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---SECTION SIX---

---ATTORNEY'S FEES---

In the event that any owner of either of the said parcels of real property described herein, shall at anytime hereafter, institute any suit, action or proceeding to enforce any of the covenants or agreements contained herein or for damages for breach of same, then and in that event, the courts in which such proceedings are instituted may award the prevailing party in such suit, action or proceeding, such sum as it may adjudge reasonable for said prevailing party's attorney's fees, costs and disbursements contained herein.

IN WITNESS WHEREOF, the parties have executed this agreement in triplicate as of the day and year described above.

Theodore H. Gehrman, Trustee
Theodore H. Gehrman

Muriel F. Gehrman, Trustee
Muriel F. Gehrman

James W. Roemer
James W. Roemer

Janice W. Roemer
Janice W. Roemer

Return To:
Theodore Gehrman
72 Eulalia Court
Klamath Falls, OR 97601

Subscribed and Sworn to before me this 24 day of June, 1992.

Marlene T. Addington
Notary Public for Oregon

(SEAL)

My commission Expires: 3-22-93

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title Co. the 25th day
of June A.D., 19 92 at 3:34 o'clock P.M., and duly recorded in Vol. M92,
of Deeds on Page 13975.

FEE \$30.00

Evelyn Biehn County Clerk
By Pauline M. Munn