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MTC 47239-MG
WELL AGREEMENT

THIS AGREEMENT made this 8 day of March, 1999 by and between Carma Marshall, "First Party", and Al and Joy Augustine, husband and wife, "Second Party";

WITNESSETH:

THAT, WHEREAS, First Party is the owner of real property in Klamath County, Oregon, more particularly described as:

All of Lots 5 and 6, and the Southerly 25 feet of Lot 4, in Block 3, of the Terraces, an addition to Klamath Falls, Klamath County, Oregon.

Upon which there is presently situate a hot water well which First Party uses to heat her dwelling house; and

WHEREAS, Second Party is the owner by way of purchase from Joe and Marilyn Roberts, of adjacent real property more particularly described as:

All of Lot 7, and the North Half of Lot 8, in Block 3 of the Terraces, an addition to Klamath Falls, Klamath County, Oregon; and

WHEREAS, there has been a previous contract allowing Second Party's predecessor in interest use of excess steam from First Party's well described herein; and

WHEREAS, the parties now wish to enter into a new written agreement governing the future use of excess steam;

NOW, THEREFORE, in consideration of the premises, First Party and Second Party, their respective heirs, devisees, legal representatives and grantees, covenant and agree as follows:

I

First Party does hereby give to Second Party a license to use the excess steam from First Party's said well for the purpose of heating Second Party's said dwelling house and to maintain a pipe line or conduits from First Party's well in the manner the same has been heated in the past on the terms and conditions hereafter set forth.

II

Second Party covenants and agrees to pay unto First Party the sum of \$600.00 per year for the use of said steam, the first of said payments to be made on the 20th day of September, 1999, and succeeding payments to be made on the 20th day of each September thereafter for a period of 10 years with the last payment due on December 20, 2008.

III

It is expressly understood and agreed that First Party assumes no responsibility whatsoever for the furnishing of said steam, but, subject to the provisions of this agreement so long as steam in excess of First Party's needs exist, Second Party shall have the right to use the same to heat Second Party's said dwelling house. Second Party shall be solely responsible for conducting said steam from the well to Second Party's house. The location of lines and conduits for said steam shall continue to be as the same presently exist on the ground. Second Party shall exercise said right in strict conformity with all applicable laws, ordinances and regulations and in such a manner so as not to unduly interfere with the quiet enjoyment of First Party's premises. Second Party shall indemnify and hold First Party harmless from any and all claims, damages or loss arising or resulting from Second Party's use of said steam or the exercise of any rights conferred by this agreement.

IV

That in lieu of personal delivery, either party may give any notice under this agreement to the other party by depositing the same in a United States Post Office within the State of Oregon addressed to the party to be notified at said party's said premises, which said addresses are shown below, in writing, registered mail, return receipt requested, postage prepaid, and such notice shall be conclusively deemed to have been delivered to the party to whom addressed the day after the same was so deposited in the Post Office.

The address of each party's premises is as follows:

First Party: 435 Hillside Avenue
Klamath Falls, Oregon 97601

Second Party: 415 Hillside Avenue
Klamath Falls, Oregon 97601

V

PROVIDED, ALWAYS, and these presents are upon this condition, that time and the full and prompt performance of all of the covenants and agreements on the part of Second Party to be observed and performed are of the essence of the agreement, and if Second Party, their heirs, devisees, legal representatives or grantees, shall be in the arrears of any annual payment or shall fail to keep, observe or perform any of the covenants or agreements of this license for a period of ten days after receiving written notice of such non-payment or either failure or breach of said covenant or agreement, the First Party, her heirs, devisees, legal representatives and grantees, lawfully may, immediately or at any time thereafter while such neglect or default continues, without written notice or demand, terminate this agreement and license and ceases and shut off the supply of steam to Second Party's premises without any liability whatsoever for such action.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seal the day and year first herein written.

Carma Marshall
Carma Marshall

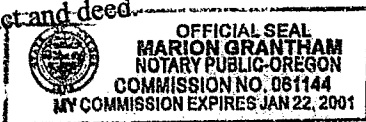
Al Augustine
Al Augustine

Joy Augustine
Joy Augustine

STATE OF OREGON)
) ss.

County of Klamath

On the 8 day of March, 1999 personally appeared before me the within named Carma Marshall and acknowledged the foregoing instrument to be her voluntary act and deed.



Marion Grantham
NOTARY PUBLIC FOR OREGON
My Commission Expires: 1/22/01

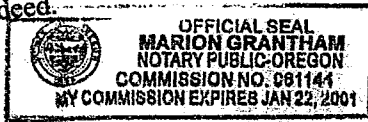
STATE OF OREGON)
) ss.

County of Klamath

On the 8 day of March, 1999 personally appeared before me the within

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named Al Augustine and acknowledged the foregoing instrument to be his voluntary act and deed.



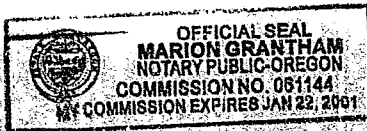
Marion Grantham
NOTARY PUBLIC FOR OREGON

My Commission Expires: 1/22/01

STATE OF OREGON)

County of Klamath) ss.

On the 8 day of March, 1999 personally appeared before me the within named Joy Augustine and acknowledged the foregoing instrument to be her voluntary act and deed.



Marion Grantham
NOTARY PUBLIC FOR OREGON

My Commission Expires: 1/22/01

AFTER RECORDING RETURN TO:

CARMA MARSHALL
435 Hillside Avenue
Klamath Falls OR 97601

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STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of March

A.D. 1999 at 11:20 o'clock Amerititle
of March of Deeds

the 9th day
A. M., and duly recorded in Vol. M99
on Page 8251
Linda Smith, County Clerk
by Kathleen Rosa

FEE

\$45.00