

WTC1396 - 10954

2012-011090
Klamath County, Oregon



10/05/2012 11:33:27 AM

Fee: \$137.00

**RECORDING COVER SHEET
ORS 205.234**

This cover sheet has been prepared by the person presenting the attached instrument for recording. Any error in this cover sheet DOES NOT affect the transaction(s) contained in the instrument itself.

1. AFTER RECORDING RETURN TO -

Required by ORS 205.180(4) & 205.238:

KLAMATH BASIN GEOPOWER, INC
200 S. VIRGINIA STREET, SUITE 560
RENO, NV 89501

2. TITLE(S) OF THE TRANSACTION(S) - Required by ORS 205.234(1)(a)

Note: "Transaction" means any action required or permitted by law to be recorded, including, but not limited to, any transfer, encumbrance or release affecting title to or an interest in real property. Enter descriptive title for the instrument:

GEOTHERMAL LEASE AND AGREEMENT

3. DIRECT PARTY / GRANTOR and Address - Required by ORS 234(1)(b)

SEE ATTACHED

4. INDIRECT PARTY / GRANTEE and Address - Required by ORS 234(1)(b)

KLAMATH BASIN GEOPOWER, INC
200 S. VIRGINIA STREET, SUITE 560
RENO, NV 89501

**5. For an instrument conveying or contracting to convey fee title, the information required by ORS 93.260:
UNTIL A CHANGE IS REQUESTED,
ALL TAX STATEMENTS SHALL BE
SENT TO THE FOLLOWING
ADDRESS:**

**6. TRUE AND ACTUAL
CONSIDERATION - Required by
ORS 93.030 for an instrument
conveying or contracting to convey
fee title or any memorandum of
such instrument:**

\$

7. TAX ACCOUNT NUMBER OF THE PROPERTY, IF THE INSTRUMENT CREATES A LIEN OR OTHER INTEREST THAT COULD BE SUBJECT TO TAX FORECLOSURE -

Required by ORS 312.125(4)(b)(B):

SEE EXHIBIT "A" PAGES 1-12 (ATTACHED)

137A

#3 Direct Parties / Grantors and Addresses:

John & Susan House
15555 Highway 140 E.
Klamath Falls, OR 97603

David Fairclo
20751 Amber Way
Bend, OR 97701

Knoll Ranch, LLC
5429 Reeder Road
Klamath Falls, OR 97603

EXHIBIT D

MEMORANDUM OF GEOTHERMAL LEASE AND AGREEMENT

RECORDING REQUESTED BY, AND
WHEN RECORDED, RETURN TO:

Klamath Basin Geopower, Inc.
c/o Bill Honjas
200 S. Virginia Street, Suite 560
Reno, NV 89501

MEMORANDUM OF GEOTHERMAL LEASE AND AGREEMENT

THIS MEMORANDUM OF LEASE AND GEOTHERMAL AGREEMENT ("Memorandum of Lease") is executed as of September 18, 2012, by and between Susan F. House (former name Susan E. Fairclo) and John Q. House, husband and wife, David P. Fairclo, an individual, Paulette B Knoll, an individual and Baron and Grant Knoll, as brothers and as members of Knoll Ranch, LLC, Knoll Ranch, LLC, Paulette B Knoll as Trustee to Knoll Family Trust and Knoll Family Trust, all hereafter referred to individually or in total as "Lessor", and Klamath Basin Geopower, Inc., a Nevada Corporation ("Lessee").

RECITALS

WHEREAS, Lessor and Lessee have executed that certain Geothermal Lease and Agreement ("Lease") dated as of September 18, 2012 ("Lease Effective Date"), conveying a leasehold interest in certain geothermal steam, geothermal fluids, geothermal energy, heat, hot water, extractable minerals, and all byproducts and gases associated therewith ("Leased Substances") located on and within the real property located in Klamath County, Oregon, as more particularly described in Section 2, of this Memorandum of Lease ("Premises"); and

WHEREAS, Lessor and Lessee desire to record notice of the Lease in the real estate records of Klamath County, Oregon.

NOW, THEREFORE, in consideration of the foregoing, Lessor and Lessee hereby declare as follows:

1. Demise. Lessor has leased and hereby does lease the Premises for the purpose of exploring, prospecting, drilling, mining and operating for and producing, treating, converting, extracting, processing and utilizing Leased Substances, as well as storing, taking, removing, transporting, and disposing of such Leased Substances in order to

3. Term. The Lease is for a term ("Initial Term") of twenty (20) years beginning on the Lease Effective Date and continues thereafter indefinitely ("Extended Term" and together with the Initial Term, the "Term") provided that certain conditions are satisfied by the Lessee. If Lessee is not producing Leased Substances in "Commercial Quantities" (as defined in the Lease) within ~~fifteen~~^{five} (15) years from the Lease Effective Date, then Lessor has the option of declaring the Lessee in default.

4. Restrictions on Encumbrances. Throughout the Term of the Lease, Lessor is prohibited from recording against the Premises liens, encumbrances, water rights, geothermal rights and other matters that would constitute exceptions to title and has the duty to defend the title and to indemnify the Lessee from and against any liens or encumbrances.

5. Restrictions on Transfer. Subject to certain exceptions, Lessor may transfer its interest in the Premises to a third party subject to the restrictions which are set forth with more particularity in the Lease.

6. Counterparts. This Memorandum of Lease may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall comprise but a single instrument.

7. Purpose. The purpose of this Memorandum of Lease is to give public notice of the existence of the Lease and is not intended to limit or augment any of the rights granted in the Lease, the terms of which are incorporated herein by reference. In the event of any inconsistency between this Memorandum of Lease and the terms and conditions of the Lease, the Lease shall prevail.

[Signature pages follows]

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EXHIBIT A
LEGAL DESCRIPTION OF PREMISES

This Exhibit A, Legal Description of Premises, is attached to and made a part of Geothermal Lease and Agreement ("Lease") dated September 18, 2012 ("Effective Date") by and between Susan F. House (former name Susan E. Fairclo) and John Q. House, husband and wife, David P. Fairclo, an individual, Paulette B Knoll, an individual and Baron and Grant Knoll, as brothers and as members of Knoll Ranch, LLC, Knoll Ranch, LLC, Paulette B Knoll as Trustee to Knoll Family Trust and Knoll Family Trust, all hereafter referred to individually or in total as "Lessor", and Klamath Basin Geopower, Inc., as "Lessee." Unless otherwise specified, capitalized terms contained herein shall have the meanings assigned to them in the Lease.

The "Premises" that is the subject of the Lease includes the real property, situated in the State of Oregon, County of Klamath, in an unincorporated area, described as follows:

Klamath County, Oregon

Parcel 1:

Township 39 South, Range 10 East, Willamette Meridian

Section 2: S $\frac{1}{2}$ S $\frac{1}{2}$, excepting the North 60 feet lying West of the U. S. Highway 140 and excepting that portion lying East of the O. C. & E. Railroad, containing 138.75 acres, more or less:

Assessor's Parcel No. R-3910-00000-00600-U01; and

Assessor's Parcel No. R-3910-00000-00600-U02.

Section 11: All excepting that portion lying Northeast of Highway 140 and East of the O. C. & E. Railroad, containing 613.20 acres, more or less:

Assessor's Parcel No. R-3910-00000-01800-U01; and

Assessor's Parcel No. R-3910-00000-01800-U02.

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Section 12: SW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, Lot 1, N $\frac{1}{2}$ SW $\frac{1}{4}$, containing 171.70 acres, more or less, and that portion of the NW $\frac{1}{4}$ NW $\frac{1}{4}$ lying South of a line 200 feet due North of the centerline of Oregon Highway 66 and running parallel to said highway to a point on the South boundary of said NW $\frac{1}{4}$ NW $\frac{1}{4}$ which is 200 feet due North of said centerline, containing 2.10 acres, more or less:

Assessor's Parcel No. R-3910-01200-00600-U01; and

Assessor's Parcel No. R-3910-01200-00600-U02.

Note: The 171.70 acre parcel includes portions of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 12 lying outside the Lost River Easement, the 1.92 acre exclusion and apparently outside Lot 1. This remaining portion does not appear to be identified in the conveyance document to Fairclo and Knoll. This area should be mapped and surveyed if ever critical.

Saving and excepting that portion of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 12 more particularly described as follows: Beginning at a point 30 feet South of the Northeast corner of said SW $\frac{1}{4}$; running thence West along the South edge of the county road 810 feet; thence South 24 $^{\circ}$ 00' East 263 feet; thence South 38 $^{\circ}$ 00' East 310 feet; thence South 49 $^{\circ}$ 00' East 335 feet; thence South 75 $^{\circ}$ 00' East 273 feet; thence due North 778 feet to the point of beginning, containing 10.08 acres, more or less, being:

Assessor's Parcel No. R-3910-01200-01400-000.

Also saving and excepting that portion of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 12 more particularly described as follows: Beginning at a point 1120 feet North and 230 feet East of the Southwest corner of said Section 12; running thence East 320 feet to the Westerly line of Highway 140; thence Northerly along the West line of Highway 140; 115 feet; thence West 395 feet; thence South 110 feet to the point of beginning, containing .92 acres, more or less, being:

Assessor's Parcel No. R-3910-01200-01500-000.

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Also saving and excepting that portion of the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 12 lying North of the Klamath Irrigation District "E" Canal, containing 3.52 acres, more or less, being:

Assessor's Parcel No. R-3910-01200-00700-000.

Section 13: Lot 1, except the East 500 feet thereof, and all of Lots 2, 3, 4 and 5. Saving and excepting therefrom that portion conveyed to Klamath County for park purposes, as described in deed recorded March 27, 1963, in Volume 344, Page 228, Deed records of Klamath County, Oregon, containing 85.12 and 46.36 acres, with a total of 131.48 acres, more or less. Note: See No. 1 of History and Ownership, Subsequent Conveyances below for a more complete description of the Deed to Klamath County.

Assessor's Parcel No. R-3910-01300-00200-U01;

Assessor's Parcel No. R-3910-01300-00200-U02;

Assessor's Parcel No. R-3910-01300-00300-U01; and

Assessor's Parcel No. R-3910-01300-00300-U02.

Section 14: NW $\frac{1}{4}$, containing 158.52 acres, more or less, being:

Assessor's Parcel No. R-3910-01400-00200-U01; and

Assessor's Parcel No. R-3910-01400-00200-U02 (78.62 acres).

Assessor's Parcel No. R-3910-01400-00300-U01; and

Assessor's Parcel No. R-3910-01400-00300-U02 (80.00 acres).

Saving and excepting from the above described parcels any portion thereof lying within the right of way of the Klamath Falls – Lakeview Highway and lying within the right of way of the O. C. & E. Railway.

Also saving and excepting the portion conveyed to Klamath County for road purposes, as described in Deed recorded March 4, 1955 in Volume 272, Page 555, Deed records of Klamath County, Oregon. Note: See No. 2 of History and Ownership, Subsequent Conveyances below for a more complete description of the Deed to Klamath County.

Also saving and excepting the portion conveyed to United States of America as described in Volume 38, Page 308, Deed records of Klamath County, Oregon. Note: See No. 3 of History and Ownership, Subsequent Conveyances below for a more complete description of the Deed to the United States.

Parcel 2:

Township 39 South, Range 10 East, Willamette Meridian, containing 120.66 acres

Section 12: A parcel of land lying within the NE $\frac{1}{4}$ SW $\frac{1}{4}$, described as follows: Beginning at a point 30 feet South of the Northeast corner of the SW $\frac{1}{4}$ of said Section 12; thence West along the South boundary of the county road 810 feet; thence South 24 00' East 263 feet; thence South 38 00' East 310 feet; thence South 49 00' East 335 feet; thence South 75 00' East 273 feet; thence due North 778 feet to the point of beginning, containing 10.08 acres, more or less, being:

Assessor's Parcel No. R-3910-01200-01400-000.

Section 12: W $\frac{1}{2}$ NE $\frac{1}{4}$, excepting therefrom that part of the above described tract lying within the county road and within the "E" Canal right-of-way, and

Section 12: E $\frac{1}{2}$ NW $\frac{1}{4}$, excepting therefrom the following described tracts:

- a. Beginning at a point that bears North 26°26'28" East 4289.79 feet from the section corner common to Sections 11, 12, 13, 14 in Township 39 North, Range 10 East; thence South 38°09'43" West 96.19 feet; thence South 42°34'06" West 757.45 feet to the East line of a road; thence Northerly along said East line of a road to a point that is North 04°10'32" West 60.40 feet; thence North 01°28'23" West 347.02 feet; thence Northeasterly along the Klamath Irrigation District Canal right-of-way to a point that is North 32°17'45" West 160.44 feet from the point of beginning; thence South 32°17'45" East a distance of 160.44 feet to the point of beginning, containing 3.50 acres, more or less, being:

Assessor's Parcel No. R-3910-01200-00800-000.

- b. Commencing at the Southwest corner of said Section 12; thence North $26^{\circ}26'28''$ East 4289.79 feet to a $5/8''$ iron pin for the true point of beginning; thence South $38^{\circ}05'43''$ West 96.19 feet; thence South $42^{\circ}34'06''$ West 757.45 feet to the Easterly boundary of Highway No. 140; thence North $78^{\circ}19'50''$ East 347.66 feet; thence North $37^{\circ}59'30''$ East 97.00 feet; thence North $44^{\circ}07'00''$ East 607.68 feet; thence North $23^{\circ}39'40''$ West 333.83 feet to the Southerly boundary of the Klamath Irrigation District "E" Canal; thence Southwesterly along said boundary to a point that is North $32^{\circ}17'45''$ West 160.44 feet from the true point of beginning; thence South $32^{\circ}17'45''$ East 160.44 feet to the true point of beginning, containing 4.88 acres, more or less, being:

Assessor's Parcel No. R-3910-01200-00900-000.

- c. Beginning at the Northwest corner of the $NE\frac{1}{4}NW\frac{1}{4}$ of Section 12, Township 39 South, Range 10 East, and running thence due South to the Northern right-of-way line of the Klamath Irrigation District "E" Canal, thence Northeasterly along said right-of-way line 500 feet; thence Northeasterly to a point on the Northern boundary line of the $NE\frac{1}{4}NW\frac{1}{4}$, which point lies due East 990 feet from the point of beginning, thence due West 990 feet to the point of beginning, containing 26.00 acres, more or less, being:

Assessor's Parcel No. R-3910-01200-00300-000.

- d. That part of the above described tract lying within Highway No. 140, North Poe Valley Road and within the "E" Canal right-of-way.

Assessor's Parcel No. R-3910-01200-00200-000, containing 120.66 acres, more or less.

Section 12: Beginning at a point 1120 feet North and 230 feet East of the Southwest corner of Section 12, Township 39 South, Range 10 East, running thence East 320 feet to the Westerly line of Highway 140'; thence Northerly along the West line of Highway

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140, 115 feet; thence West 395 feet; thence South 110 feet to the point of beginning, containing .9 acres, more or less, being:

Assessor's Parcel No. R-3910-01200-01500-000.

Parcel 3:

Township 39 South, Range 10 East, Willamette Meridian

Section 16: $W\frac{1}{2}E\frac{1}{2}SW\frac{1}{4}SE\frac{1}{4}$, lying South of the O.C. & E.R.R. right of way and excepting the right of way of the U.S.R.S. East Branch Canal, containing 9.10 acres, more or less. Being:

Assessor's Parcel No. R-3910-01600-02000-000.

Section 16: $W\frac{1}{2}SW\frac{1}{4}SE\frac{1}{4}$, except the right of way for the U.S.R.S. East Branch Canal as now constructed across said tract, containing 19.00 acres, more or less, being:

Assessor's Parcel No. R-3910-01600-02100-000.

Section 21: The Northerly 38 rods of the $W\frac{1}{2}E\frac{1}{2}NW\frac{1}{4}NE\frac{1}{4}$, containing 4.75 acres, more or less, being:

Assessor's Parcel No. R-3910-02100-00400-000.

ALSO all the $W\frac{1}{2}NW\frac{1}{4}NE\frac{1}{4}$, lying North of that certain tract deeded to Adah Brown, described in Volume 26, Page 125, Deed Records of Klamath County, except rights of ways for canals and laterals as presently located thereof, containing 65.00 acres, more or less. Note: See No. 4 of History and Ownership, Subsequent Conveyances below for a more complete description of the Deed to Adah Brown. This parcel contains 9.27 acres, more or less, being:

Assessor's Parcel No. R-3910-02100-00500-000.

Section 21: $SW\frac{1}{4}NE\frac{1}{4}$ and Lot 3; Also beginning at the Southeast corner of the $NW\frac{1}{4}NE\frac{1}{4}$; thence West 80 rods; thence North 42 rods; thence East 80 rods; thence South 42 rods to the Place of Beginning, containing 65.00 acres, being:

Assessor's Parcel No. R-3910-02100-00900-000.

Parcel 4:

Township 39 South, Range 10 East, Willamette Meridian

Section 20: NW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, containing 78.31 acres, more or less, being:

Assessor's Parcel No. (APN) R-3910-020000-00200-000.

Section 20: A parcel of land situated in the NW $\frac{1}{4}$, being more particularly described as follows:

Commencing at the Southwest corner of the N $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$; thence North 89°53'16" East 35.00 feet to the point of beginning; thence North 00°21'40" East, along the Easterly right of way line of the County Road; 265.67 feet to the centerline of the K.I.D. canal right of way; thence Northeasterly along the centerline of said canal the following courses: along the arc of a 14° curve to the left 94.90 feet; thence North 46°11'00" East 396.60 feet; thence along the arc of a 6° curve to the left 442.22 feet; thence North 19°39'00" East 1056.61 feet to the Southerly right of way line of the County Road; thence leaving said canal right of way centerline North 89°32'36" East along said County Road Southerly right of way line of 354.52 feet to the East line of the W $\frac{1}{2}$ NW $\frac{1}{4}$ of said Section 20; thence South 00°17'02" West along said East line 1960.78 feet to the Southeast corner of the N $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 20; thence South 89°53'16" West along the South line of said N $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ 1301.58 feet to the point of beginning, containing 30.34 acres, more or less, being:

Assessor's Parcel No. (APN) R-3910-02000-00300-000.

Parcel 5:

Township 39 South, Range 10 East, Willamette Meridian

Section 16: SE $\frac{1}{4}$ SW $\frac{1}{4}$ and that portion of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ lying South of the right of way of the O.C. & E. Railroad, containing 56.29 acres, being:

Assessor's Parcel No. R-3910-01600-02200-000 (11.95 acres); and

Handwritten initials "RW" and a circled number "7" in the bottom right corner.

Assessor's Parcel No. R-3910-01600-02201-000 (44.34 acres).

Section 16: That portion of the $W\frac{1}{2}W\frac{1}{2}$ lying South of the O.C. & E. Railroad right of way, containing 74.30 acres, being:

and Assessor's Parcel No. R-3910-01600-02300-000 (25.79 acres);

Assessor's Parcel No. R-3910-01600-02301-000 (48.51 acres).

Section 20: $NE\frac{1}{4}NE\frac{1}{4}$, $SE\frac{1}{4}NE\frac{1}{4}$ and Lots 1 and 2, containing 129.14 acres and 1.12 acres, with a total of 130.26 acres, except all that portion of Lots 1 and 2, described as follows:

Beginning 1218 feet North of the southeast corner of Section 20 on the right bank of Lost River; thence North 282 feet; thence West 258.5 feet; thence North $42^{\circ}30'$ West 317.5 feet; thence South 60° West 350 feet; thence South 300 feet; thence South $36^{\circ}45'$ West 269.5 feet; thence South 10° West 1060 feet to the South line of Lot 2; thence East 250 feet to right bank of Lost River, thence up stream along bank of Lost River to place of beginning; Also excepting a tract of land situated in Lot 2, Section 20, more particularly described as follows: Beginning at the Southwest corner of the said Lot 2; thence North along the West line of said Lot 2, 241 feet to an iron pin; thence East at right angles to the West line of said Lot 2, 265 feet to an iron pin on the Westerly bank of Lost River; thence Southwesterly along the Westerly bank of Lost River to the South line of said Lot 2; thence West along the South line of said Lot 2 to the point of beginning, being:

Assessor's Parcel No. R-3910-02000-01200-000.

Assessor's Parcel No. R-3910-02000-00900-000; and

Assessor's Parcel No. R-3910-02000-00901-000.

Section 21: $W\frac{1}{2}$ (Conveyance Deed erroneously states the $W\frac{1}{4}$) of the $NW\frac{1}{4}$, and Government Lot 1, $E\frac{1}{2}NW\frac{1}{4}$ and Government Lot 2, containing 178.74 acres, less and excepting from Lot 2 the following described portion:

Beginning 500 feet South of the center of Section 21; thence South 70°00' West 1150 feet; thence North 270 feet; thence South 61°05' West 263.4 feet to the West line of said Lot 2; thence South 750 feet to the right bank of Lost River; thence upstream along the bank of Lost River to the East line of said Lot 2; thence North 650 feet, more or less, to the point of beginning.

Also excepting a parcel of land in said Section 21 described as beginning at a center one quarter corner, marked by a 5/8 inch iron pin; thence South 00°02'36" East, along the North-South center of section line, 500 feet to a steel fence post; thence leaving said North-South center of section line, South 70°00'00" West, 1150 feet to an iron axle; thence North 270 feet to a 5/8 inch iron pin; thence South 61°05'00" West, 272.76 feet to a point on the West line of the E½W½ of said Section 21; thence along said West line North 00°04'26" East, 829.80 feet to its intersection with a fence to the East; thence leaving said West line, North 60°02'36" East, 803.05 feet to the point of intersection with said fence; thence along said fence, North 67°38'11" East, 251.68 feet; thence continuing along said fence North 70°18'03" East, 413.16 feet to its intersection with said center of section line; thence leaving said fence along said center of section line South 00°02'26" East, 710.60 feet to the point of beginning, together with easement from County road.

The above tract contains 28.93 acres, more or less, being:

Assessor's Parcel No. R-3910-02100-00800-000.

Assessor's Parcel No. R-3910-02100-00700-000.

The above described Parcel Nos. 1-5 are shown on the maps attached hereto as Exhibit A.

A. Ownership. Based on the materials examined, the minerals to the above property appear to be owned by the following:

a. Title to Parcel 1 is vested as follows:

Assessor's Parcel No. (APN) R-3910-00000-00600-U01;

Assessor's Parcel No. (APN) R-3910-00000-01800-U01;

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and

Assessor's Parcel No. (APN) R-3910-01200-00600-U01;
Assessor's Parcel No. (APN) R-3910-01300-00200-U01;
Assessor's Parcel No. (APN) R-3910-01300-00300-U01;
Assessor's Parcel No. (APN) R-3910-01400-00200-U01;

Assessor's Parcel No. (APN) R-3910-01400-00300-U01.

Fairclo, David P. and Susan E.: an undivided 66.66%

20751 Amber Way

Bend, OR 97701

Assessor's Parcel No. (APN) R-3910-00000-00600-U02;

Assessor's Parcel No. (APN) R-3910-00000-01800-U02;

Assessor's Parcel No. (APN) R-3910-01200-00600-U02;

Assessor's Parcel No. (APN) R-3910-01300-00200-U02;

Assessor's Parcel No. (APN) R-3910-01300-00300-U02;

Assessor's Parcel No. (APN) R-3910-01400-00200-U02;

and

Assessor's Parcel No. (APN) R-3910-01400-00300-U02.

Knoll, Grant: an undivided 33.34%

10333 Crystal Springs Road

Klamath Falls, OR 97603

b. Title to Parcel 2 is vested as follows:

Assessor's Parcel No. (APN) R-3910-01200-00200-000;

Assessor's Parcel No. (APN) R-3910-01200-01400-000;

and

Assessor's Parcel No. (APN) R-3910-01200-01500-000.

Fairclo, Ann S. & House, Rose, John Q. and Susan F.

(Contract of Sale to House)

15555 Hwy 140E

Klamath Falls, OR 97603

c. Title to Parcel 3 is vested as follows:

Assessor's Parcel No. (APN) R-3910-01600-02000-000;

Assessor's Parcel No. (APN) R-3910-01600-02100-000;

Assessor's Parcel No. (APN) R-3910-02100-00400-000;

Assessor's Parcel No. (APN) R-3910-02100-00500-000; and

Assessor's Parcel No. (APN) R-3910-02100-00900-000.

Knoll, B. Paulette and

Knoll, Grant

10227 Crystal Springs Road

Klamath Falls, OR 97603

d. Title to Parcel 4 is vested as follows:

Assessor's Parcel No. (APN) R-3910-020000-00200-000,

and

Assessor's Parcel No. (APN) R-3910-020000-00300-000.

Knoll Ranch LLC

5429 Reeder Road

Klamath Falls, OR 97603

e. Title to Parcel 5 is vested as follows:

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Assessor's Parcel No. (APN) R-3910-01600-02200-000;
Assessor's Parcel No. (APN) R-3910-01600-02201-000;
Assessor's Parcel No. (APN) R-3910-01600-02300-000;
Assessor's Parcel No. (APN) R-3910-01600-02301-000;
Assessor's Parcel No. (APN) R-3910-02000-00900-000;
Assessor's Parcel No. (APN) R-3910-02000-00901-000; and
Assessor's Parcel No. (APN) R-3910-02100-00700-000.

Knoll, Paulette, Trustee, and

Knoll Family Trust

10227 Crystal Springs Road

Klamath Falls, OR 97603

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IN WITNESS WHEREOF, Lessor and Lessee have executed this Memorandum of Lease as of the date and year first written above.

[LESSOR one of seven]

Susan F. House John House
Signature
Susan F. House John House
Name

Title

[LESSOR two of seven]

Signature

Name

Title

[LESSOR three of seven]

Signature

Name

Title

[LESSOR four of seven]

Signature

Name

Title

State of Oregon
County of Klamath

On Sept 18 2012 before me, Mary Jo Gallagher Notary

Public, personally appeared

Susan F. House, & John House, who proved to

me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

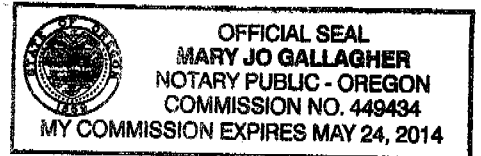
I certify under PENALTY OF PERJURY under the laws of the State of Oregon that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Mary Jo Gallagher

(Seal)



IN WITNESS WHEREOF, Lessor and Lessee have executed this Memorandum of Lease as of the date and year first written above.

[LESSOR one of seven]

[LESSOR two of seven]

Signature _____

Signature _____

Name _____

Name _____

Title _____

Title _____

[LESSOR three of seven]

[LESSOR four of seven]

* David P Fairclough
Signature

Signature _____

DAVID P FAIRCLOUGH
Name

Name _____

Lessor
Title

Title _____

State of Oregon OSP
County of ~~Klamath~~ Deschutes

On Sept. 18, 2012 before me, Linda S Bafford, Notary

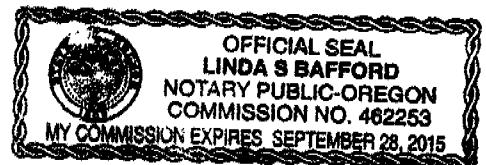
Public, personally appeared

David P. Fairclough, who proved to

me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Oregon that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Linda S Bafford

(Seal)

IN WITNESS WHEREOF, Lessor and Lessee have executed this Memorandum of Lease as of the date and year first written above.

[LESSOR one of seven]

Signature

Name

Title

Barron Knoll
[LESSOR two of seven]

x *Grant Knoll*

Signature

Grant Barron Knoll

Name

Title

[LESSOR three of seven]

Signature

Name

Title

[LESSOR four of seven]

x *Grant Knoll*

Signature

Grant Knoll

Name

Knoll Ranch LLC

Title

State of Oregon
County of Klamath

On 9-26-12 before me, Mary Jo Gallagher, Notary

Public, personally appeared

Grant + Barron Knoll, who proved to

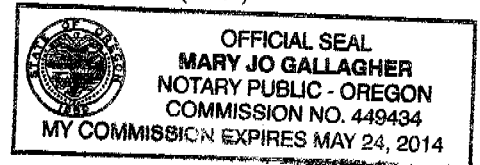
me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Oregon that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Mary Jo Gallagher*

(Seal)



IN WITNESS WHEREOF, Lessor and Lessee have executed this Memorandum of Lease as of the date and year first written above.

[LESSOR five of seven]

x B. Paulette Knoll
Signature

B Paulette Knoll
Name

Title

[LESSOR six of seven]

x B. Paulette Knoll
Signature

B Paulette Knoll
Name

Trustee to Knoll Family Trust
Title

[LESSOR seven of seven]

x B. Paulette Knoll
Signature

B Paulette Knoll
Name

Knoll Family Trust
Title

State of Oregon
County of Klamath

On Sept 26 - 12 before me, MARY JO GALLAGHER Notary

Public, personally appeared

B. Paulette Knoll, who proved to

me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

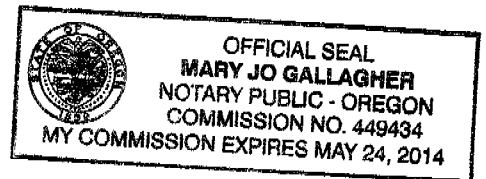
I certify under PENALTY OF PERJURY under the laws of the State of Oregon that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Mary Jo Gallagher

(Seal)



IN WITNESS WHEREOF, Lessor and Lessee have executed this Memorandum of Lease as of the date and year first written above.

[LESSEE]

Signature 

Name William Honjos

Title President & CEO

State of Oregon
County of Klamath
On Oct 1 2012

before me, Sarah Kathleen Rowe, Notary


Public, personally appeared

William Honjos, who proved to

me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Oregon that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature 

(Seal)

