



00175539201500098720020023

09/04/2015 11:51:03 AM

Fee: \$47.00

Returned at Counter

AFTER RECORDING RETURN TO:

Nathan J. Ratliff
620 Main Street
Klamath Falls OR 97601

GRANTOR'S NAME AND ADDRESS:

LOST RIVER LAND & CATTLE, LLC
200 SOUTH VIRGINIA STREET, STE 560
RENO, NV 89501

GRANTEE'S NAME AND ADDRESS:

ANDREW HARRIS AND MARY HARRIS
CO-TRUSTEES OF THE HARRIS FAMILY TRUST
U/A/D JULY 13, 2000
11330 MAVERICK LANE
RENO, NV 89511

SEND TAX STATEMENTS TO:

ANDREW HARRIS AND MARY HARRIS
CO-TRUSTEES OF THE HARRIS FAMILY TRUST
U/A/D JULY 13, 2000
11330 MAVERICK LANE
RENO, NV 89511

DEED IN LIEU OF FORECLOSURE (NONMERGER)

LOST RIVER LAND & CATTLE, LLC, a Nevada Limited Liability Company, ("Grantor"), conveys to ANDREW HARRIS AND MARY HARRIS, CO-TRUSTEES OF THE HARRIS FAMILY TRUST U/A/D JULY 13, 2000, ("Grantee"), the following real property (the "Property"):

PARCEL ONE:

The Parcel 1 of Land Partition 29-02, being a replat of Parcel 1 of Minor Land Partition 47-91, situated in Sections 13 and 14, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

Excpeting therefrom the Westerly 511 feet of Parcel 1 of Land Partition 29-02, situated in Government Lot 9 of Section 14, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL TWO:

The Westerly 511 feet of Parcel 1 of Land Partition 29-02, situated in Government Lot 9 of Section 14, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

together with all Grantor's right, title, and interest in any land sale contract or lease option agreement involving the Property. Grantor is the owner of the Property described below.

Grantor executed and delivered to Grantee a DEED OF TRUST, SECUTIRY AGREEMENT, FINANCING STATEMENT, FIXTURE FILING AND ASSIGNMENT OF RENTS AND LEASES, (hereinafter the "Trust Deed"), recorded on April 21, 2014 as Instrument No. 2014-00374 Records of Klamath County, Oregon, to secure payment of a Promissory Note in the sum of \$600,000.00. The Promissory Note and Trust Deed are in default and the Property is subject to foreclosure. The current balance owing is approximately \$680,000. In consideration of Grantee's acceptance of this deed in lieu of foreclosure (this "Deed") Grantee may retain all payments previously made on the Note, with no duty to account therefor, while Grantor shall receive the application of a credit against the balance owing on the note in the amount of \$360,000, the value attributed to the Property by the Parties. Grantee expressly agrees to continued indebtedness on the Note, in the amount of \$320,000, as described in the Deed in Lieu Agreement executed by Grantor contemporaneously to the execution of this Deed.

The consideration given for this Deed is \$360,000.

This Deed is intended as a conveyance absolute in legal effect, as well as in form, of the title to the Property to Grantee and this Deed is not intended as security of any kind. Grantor waives, surrenders, and relinquishes any equity of redemption and statutory rights of redemption that Grantor may have in connection with the Property.

This Deed does not effect a merger of the fee ownership and the lien of the Property described above. The fee and the lien shall hereafter remain separate and distinct. Grantee reserves its right to foreclose its rights at any time as to any party with any claim, interest, or lien on the Property. Grantor acknowledges and recognizes that this Deed does not extinguish any remaining obligation on the Note, the Trust Deed, or any other obligation owed to Grantee, including any obligation arising under the UNIT PLEDGE AND SECURITY AGREEMENT, (hereinafter the Unit Pledge), executed April 14, 2014 by Klamath Basin Geopower, Inc., a Nevada Corpoaration. Grantee shall have any and all legal and equitable remedies available to it including, but not limited to, the future enforcement of the Note, the

ability to seek a judgment against any obligated party for any deficiency in the amount owing after the credit described above, to repossession of any collateral securing the Note. Grantor, and its successors, assigns and affiliates shall be forever estopped from any claim or argument that this Deed shall in any way limit Grantee's ability to enforce obligations owed to it by Grantor, the guarantors of the Note, in their individual capacity, Klamath Basin Geopower, Inc., or any other person or entity. Furthermore, it is the specific intention of both Grantor and Grantee that no third-party shall benefit from the terms of this agreement in any manner that would adversely affect Grantee with respect to the future enforcement of the obligations arising under the Note, the Trust Deed or the Unit Pledge.

Grantor has read and fully understands the above terms and is not acting under misapprehensions regarding the effect of this Deed, nor is Grantor under any duress, undue influence, or misrepresentations of Grantee, Grantee's agents, lawyers, or any other person.

Grantee does not expressly or impliedly agree to assume or pay any contract balances, debts, liens, charges, or obligations that relate or attach to the property.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTION 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTION 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

DATED: ^{September} ~~August~~ 1st, 2015.

LOST RIVER LAND & CATTLE, LLC

By: [Signature]
William Honjas, Manager

STATE OF NEVADA; County of Washoe) ss.

THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME this 1st day of August, 2015, by William Honjas of LOST RIVER LAND & CATTLE, LLC, as Member.

[Signature]
NOTARY PUBLIC FOR NEVADA
My Commission expires: 2/13/18

