

RECORDING COVER SHEET (Please Print or Type)

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*THIS SPACE RESERVED FOR USE BY
THE COUNTY RECORDING OFFICE*

AFTER RECORDING RETURN TO:

Hartman & Hartman

510 West Plumb Lane Ste. B

Reno NV 89509

1) TITLE(S) OF THE TRANSACTION(S) ORS 205.234(a)

Order Authorizing Trustee to Execute Termination and Release of Leases Documentation

2) DIRECT PARTY / GRANTOR(S) ORS 205.125(1)(b) and 205.160

Klamath Basin Geopower Inc.

3) INDIRECT PARTY / GRANTEE(S) ORS 205.125(1)(a) and 205.160

Hartman & Hartman

4) TRUE AND ACTUAL CONSIDERATION

ORS 93.030(5) – Amount in dollars or other

\$ _____ ☐ Other

5) SEND TAX STATEMENTS TO:

No change

6) SATISFACTION of ORDER or WARRANT

ORS 205.125(1)(e)

CHECK ONE: ☐ FULL
(If applicable) ☐ PARTIAL

7) The amount of the monetary obligation imposed by the order or warrant. ORS 205.125(1)(c)

\$ _____

8) If this instrument is being Re-Recorded, complete the following statement, in

accordance with ORS 205.244: "RERECORDED AT THE REQUEST OF _____ TO CORRECT _____"

PREVIOUSLY RECORDED IN BOOK _____ AND PAGE _____, OR AS FEE NUMBER _____."

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Entered on Docket
December 11, 2019

Bruce T Beesley
Honorable Bruce T. Beesley
United States Bankruptcy Judge



I certify that this is a true copy:

Attest: 12/18/19
Deputy Clerk, Bankruptcy Court

James M. Steyer

Jeffrey L. Hartman, Esq., #1607
HARTMAN & HARTMAN
510 West Plumb Lane, Suite B
Reno, Nevada 89509
Telephone: (775) 324-2800
Fax: (775) 324-1818
notices@bankruptcyreno.com

Attorney for W. Donald Gieseke, Successor Trustee

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

IN RE:

KLAMATH BASIN GEOPower, INC.,

Debtor.

CASE NO. BK-N-15-51578-BTB
CHAPTER 7

**ORDER AUTHORIZING TRUSTEE TO
EXECUTE TERMINATION AND
RELEASE OF LEASES
DOCUMENTATION**

Hearing Date: N/A
Hearing Time:

The matter came before the Court on the Ex Parte Motion by chapter 7 successor trustee W. Donald Gieseke for an Order authorizing him to execute a document titled 'Termination And Release Of Leases', to clarify and effectuate an action which occurred in the chapter 7 case by operation of law. This request is for administrative purposes only. The Court finds and concludes as follows:

1 1. Klamath Basin Geopower, Inc., filed its chapter 7 petition on November 24,
2 2015 and the case was closed on June 14, 2019. Jeri Coppa-Knudson administered the case
3 as the chapter 7 trustee. On December 6, 2019 W. Donald Gieseke was appointed as
4 successor trustee in the above-entitled case.

5 2. The chapter 7 case involved dozens of leases of real property in or near
6 Klamath Falls, Oregon where non-debtor lessors entered into geothermal leases with the
7 Debtor on the prospect of the construction of a geothermal power facility would, in turn,
8 generate lease revenue to the landowner lessors. The project was unsuccessful and
9 substantially all of the leases were deemed rejected, as described below.

10 3. After the chapter 7 petition was filed, Trustee Coppa-Knudson obtained two
11 extensions of time within which to make the decisions as to whether to assume or reject the
12 unexpired leases of non-residential real property.

13 4. On April 1, 2016, the Court entered its Order Granting Trustee's Motion For
14 Order Authorizing Assumption And Assignment Of Nonresidential Leasehold Interest
15 (Edgewood Ranch, Inc.) as [ECF no. 71].

16 5. On June 28, 2016, the Court entered its Order Rejecting Unexpired Leases of
17 Non-Residential Real Property as [ECF no. 74]. Exhibit A to [ECF no. 74] identifies a
18 series of unexpired leases which were deemed expired by the passage of time, i.e., by
19 operation of law under § 365. In addition to the Edgewood Ranch, Inc. Lease affected by
20 [ECF no. 71], two of the leases identified in [ECF no. 74] are referred to as Jespersen Swan
21 Lake, Inc. and LJ2, LLC.

22 6. The owner of the Edgewood Leases is in the process of selling these leases
23 including the Jespersen Swan Lake, Inc. and LJ2, LLC; however, the local title company,
24 Ameri-Title, requires a Termination and Release of the Leases in order to close escrow and
25 requires that the Termination and Release of Leases be executed by W. Donald Gieseke, as
26 Chapter 7 successor trustee. In turn, the title company requires that the Termination and
27 Release of Leases be executed while the chapter 7 estate is open so that the Trustee's
28 authority to execute is not at issue.

1 Based on the record in this case, and good cause appearing,

2 **IT IS ORDERED** that the Trustee be and hereby is authorized to execute the
3 Termination And Release Of Leases in the form attached hereto as **Exhibit A** and any
4 related documentation which may be required to effectuate the Termination.

5 Submitted by:

6 **HARTMAN & HARTMAN**

7 /S/ Jeffrey L. Hartman
8 Jeffrey L. Hartman, Esq.
9 Attorney for W. Donald Gieseke,
Successor Trustee

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EXHIBIT A

After Recording Return To:
E. Bradley Litchfield
Hutchinson Cox
PO Box 10886
Eugene, OR 97440

TERMINATION AND RELEASE OF LEASES

This TERMINATION AND RELEASE OF LEASES is executed this ____ day of _____, 2019 by W. Donald Gieseke, Successor Trustee for the chapter 7 estate of Klamath Basin Geopower, Inc., a Nevada corporation, with its registered office at 200 South Virginia Street, Suite 560, Reno, Nevada 89501.

1. Leases. Pursuant to the certain Geothermal Lease and Agreement entered into between Jespersen Edgewood, Inc. and Optim, Inc. as evidenced by that Memorandum of Geothermal Lease and Agreement recorded on November 19, 2010 as document No. 2010-013434 in the official Records of Klamath County, Oregon ("Leases"), and as assigned by that November 25, 2013 Assignment of Geothermal Lease and Agreement by and between Klamath Basin Geopower, Inc., a Nevada corporation ("Lessee") and Edgewood Ranch, Inc., an Oregon Corporation, Jespersen Swan Lake, Inc., an Oregon Corporation, and LJ2, LLC, an Oregon limited liability company ("Lessor"), Lessor leased to Lessee certain real property located in Klamath County, Oregon, which real property is more particularly described in the attached Exhibit A.
2. Termination and Release. Klamath Basin Geopower, Inc. does hereby terminate the Leases and release and relinquish any right, title and interest of the Lessee in the property described in Exhibit A arising by reason of the Leases.
3. Incorporation of Leases. This termination and release, incorporates herein all of the terms and provisions of the Leases (as assigned), as though fully set forth herein.

IN WITNESS WHEREOF, KLAMATH BASIN GEOPOWER, INC. has executed this Termination and Release of Leases as of the date set forth above.

KLAMATH BASIN GEOPOWER, INC., A Nevada Corporation

By: Chapter 7 Successor Trustee, W. Donald Gieseke

State of Nevada)
 : ss.
County of Washoe)

THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME this ____ day of _____, 2019, by W. Donald Gieseke as Chapter 7 Successor Trustee for Klamath Basin Geopower, Inc.

NOTARY PUBLIC FOR NEVADA

FROM : SUE 2 JOHN HOUSE

PHONE NO. : 5418833256

Feb. 25 2010 10:00AM P27

EXHIBIT ¹²_E
LEGAL DESCRIPTION

PARCEL 1:

IN TOWNSHIP 17 SOUTH, RANGE 10 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON:

Section 14: W1/2 SW1/4
Section 15: NW1/4 NW1/4, S1/2 N1/2, NE1/4 SE1/4
Section 23: W1/2 NE1/4, SE1/4 NE1/4, E1/2 SE1/4
Section 24: SW1/4 SW1/4
Section 25: W1/2, W1/2 SE1/4
Section 26: E1/2 E1/2
Section 35: NE1/4 NE1/4
Section 36: All

IN TOWNSHIP 18 SOUTH, RANGE 10 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON:

Section 12: NE1/4, E1/2 NW1/4, NE1/4 SE1/4

Tax Account No: 3810-00000-03000-000

Key No: 451421

IN TOWNSHIP 18 SOUTH, RANGE 11 1/2 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON:

Section 6: Government Lots 4, 5, 6 and 7; SE1/4 NW1/4, E1/2 SW1/4, SW1/4 SE1/4
Section 7: Government Lots 1, 2, 3 and 4; W1/2 E1/2, SE1/4 NE1/4, E1/2 W1/2, E1/2 SE 1/4, NE1/4 NE1/4
Section 8: W1/2 SW1/4
Section 17: W1/2
Section 18: Government Lots 1 and 2; NE1/4, E1/2 NW1/4
Section 20: SW1/4 NE1/4, NW1/4, N1/2 SW1/4, W1/2 SE1/4, SE1/4 SE1/4
Section 21: S1/2 SW1/4, SW1/4 SE1/4
Section 27: W1/2 SW1/4, SE1/4 SW1/4, EXCEPTING THEREFROM that portion of the SE1/4 SW1/4 conveyed to Oregon - California and Eastern Railway Company by deed recorded May 26, 1917 in Book 47 at page 592, Deed Records of Klamath County, Oregon. AND EXCEPTING from the SE1/4 SW1/4 that portion thereof lying Easterly of the Easterly line of the Oregon - California and Eastern Railway Company right of way.
Section 28: N1/2, NE1/4 SW1/4, SE1/4
Section 29: NE1/4, SE1/4 NW1/4, E1/2 SW1/4
Section 32: NE1/4 NW1/4, EXCEPTING THEREFROM all that portion lying within the Klamath Falls - Lakeview Highway (Highway 140)

Continued

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EXHIBIT ¹
PAGE 33 OF 35

FROM : SUE & JOHN HOUSE

PHONE NO. : 5418933256

Feb. 26 2010 10:01AM P38

PARCEL 2:

Parcel A:

The NE1/4 of Section 32, Township 37 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

Parcel B:

The S1/2 NE1/4 and SE1/4 of Section 21 and S1/2 NW1/4 and SW1/4 of Section 22, Township 37 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

Parcel C:

The NW1/4 of Section 28, Township 37 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

Parcel D:

The NE1/4 NE1/4 of Section 19, Township 37 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

Parcel E:

The E1/2 NE1/4 and the E1/2 W1/2 NE1/4 and that portion of the SE1/4 lying Easterly of Edgewood Lane in Section 18, Township 37 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

Parcel F:

The E1/2 SE1/4 NE1/4 Section 7, Township 37 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

Parcel G:

The W1/2 and SE1/4 and W1/2 W1/2 SW1/4 NE1/4 of Section 8; SW1/4, W1/2 SE1/4 and NE1/4 SE1/4, Section 9; SW1/4, S1/2 SE1/4 and NW1/4 SE1/4, Section 15; all of Sections 16 and 17; E1/2 and N1/2 NW1/4, Section 20; W1/2 and N1/2 NE1/4, Section 21; E1/2 and N1/2 NW1/4, Section 22; W1/2 and W1/2 SE1/4, Section 23; W1/2 and W1/2 E1/2, Section 26; E1/2 and NW1/4, Section 27; SW1/4, Section 28; SE1/4, Section 29; NE1/4 NE1/4, Section 34; N1/2 NW1/4 and NW1/4 NE1/4, Section 35, all in Township 37 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

Parcel H:

The SW1/4 SE1/4 of Section 5; N1/2 NE1/4, SE1/4 NE1/4 and that portion of the SW1/4 NE1/4 and the NE1/4 SE1/4 of Section 8 lying East of Swan Lake Road; and the S1/2 NW1/4 and that portion of the SW1/4 of Section 9, lying East of Swan Lake Road, all being in Township 38 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, Excepting therefrom the following described tract: Beginning at a point 50 links due East from a point on the Section line 20 chains South of the Northwest corner of SW1/4 of Section 9, Township 38 South, Range 10 East of the Willamette Meridian; run thence, due East 6.50 chains; thence North 1.75 chains; thence East 5 chains; thence South 4 chains; thence West 5 chains; thence North 1.75 chains; thence West 6.50 chains; thence North .50 chains to the point of beginning.

Continued

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EXHIBIT 1
24 25

FROM : SUE & JOHN HOUSE

PHONE NO. : 5418933298

Feb. 26 2018 10:01AM PST

(Parcel 2 Legal Continued)

Parcel I:

A parcel of land situated in Section 9, Township 38 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point 50 links due East from a point on the Section line 20 chains South of the Northwest corner of the SW1/4 of Section 9, Township 38 South, Range 10 East of the Willamette Meridian; run thence, due East 6.50 chains; thence North 1.75 chains; thence East 5 chains; thence South 4 chains; thence West 5 chains; thence North 1.75 chains; thence West 6.50 chains; thence North .50 chains to the point of beginning.

Parcel J:

The SE1/4 SE1/4 of Section 5, Township 38 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

Parcel K:

The S1/2 SW1/4 of Section 4 and the N1/2 NW1/4 of Section 9, Township 38 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

Parcel L:

The NE 1/4 of Section 28 and the NE1/4 of Section 29, Township 37 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

Parcel M:

The SW1/4 of Section 27, and the SE1/4 of Section 28, Township 37 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

TOGETHER WITH an easement for ingress and egress over the Westerly 30 feet of the NE1/4 of Section 28, Township 37 South, Range 10 East, Willamette Meridian, Klamath County, Oregon, as granted by instrument recorded April 27, 1994 in Volume M94, Page 12606, Mineral Records of Klamath County, Oregon.