

**FORM OF MEMORANDUM OF OPTION AGREEMENT FOR
PURCHASE OF EASEMENT**

This instrument prepared by and
after recording return to:

Hecate Energy Bonanza LLC
621 W. Randolph St.
Chicago IL 60661
Attn: Vikki Beja

2020-002211

Klamath County, Oregon



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02/24/2020 12:09:42 PM

Fee: \$112.00

(This space reserved for recording information)

MEMORANDUM OF OPTION AGREEMENT FOR PURCHASE OF EASEMENT

THIS MEMORANDUM OF OPTION AGREEMENT FOR PURCHASE OF EASEMENT (the "**Memorandum**"), is made as of this 22nd day of January, 2020 (the "**Effective Date**"), by and between **William J. Watson and Karen Louise Watson**, as Tenants by the entirety. ("**Owner**"), with an address at 6165 W Langell Valley Road, Bonanza, OR 97623

Attn: William J. Watson, and **Hecate Energy Bonanza LLC**, a Delaware limited liability company ("**Hecate**"), with an address at 621 W. Randolph St., Suite 200, Chicago, IL 60661, Attn: Manager.

1. Owner holds fee simple title to certain real property located at Section 22, Township 39 South, Range 11 East, Klamath County, Oregon, that is more particularly described on Exhibit "A" attached hereto (collectively, the "**Property**"). Pursuant to that certain Option Agreement for Purchase of Easement dated as of January 22, 2020, by and between Owner and Hecate (the "**Option Agreement**"), Owner granted to Hecate, and Hecate acquired from Owner, an exclusive option to purchase (the "**Option**") a pipeline easement that is fifty feet (50') in width across a certain portion of the Property as described, shown and designated on Exhibit "A-1" attached hereto (the "**Easement Area**"), upon and subject to the terms and conditions contained in the Option Agreement.

2. The Option has an initial term of up to twelve (12) months, commencing on the Effective Date, and expiring in accordance with the Option Agreement (the "**Initial Term**"), and may be extended by Hecate for up to an additional thirty-six (36) months beyond expiration of the Initial Term.

3. No grant, sale, lease, mortgage, encumbrance, lien, transfer or other conveyance affecting the Easement Area which is created or entered into after the Effective Date shall be valid or effective without obtaining Hecate's prior written consent. All such grants, sales, leases, mortgages, encumbrances, liens, transfers and other conveyances shall be subject and subordinate to Hecate's interest in the Easement Area under the Option Agreement.

4. The covenants and agreements of Owner under the Option Agreement are covenants running with the land and shall be binding upon Owner and Owner's heirs, representatives, successors and assigns.

5. The purpose of this Memorandum is to give notice of the existence of Hecate's option rights granted in the Option Agreement, to which Option Agreement reference is made for a full description of the terms and conditions thereof. In the event any of the terms and provisions of this Memorandum conflict with the terms and provisions of the Option Agreement, the terms and provisions of the Option Agreement shall control. The parties may be contacted at the addresses set forth above for further information.

6. This Memorandum may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

[Signature Pages Follow This Page]

IN WITNESS WHEREOF, Owner and Hecate have caused this Memorandum of Option Agreement for Purchase of Easement to be executed as of the date first above written.

OWNER:

**WILLIAM J. WATSON AND
KAREN LOUISE WATSON, as
Tenants by the entirety**

By: William J. Watson
Name: William J. Watson
Its: _____

By: Karen Louise Watson
Name: Karen Louise Watson
Its: _____

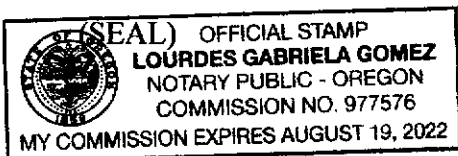
STATE OF OREGON

KLAMATH COUNTY

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that William J. Watson and Karen Louise Watson, whose name is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the foregoing instrument, (he) executed the same voluntarily on the date hereof.

Given under my hand this 22 day of January 2020.

[Signature]
Notary Public
My Commission Expires: August 19, 2020



HECATE:

HECATE ENERGY BONANZA LLC, a Delaware
limited liability company

By: [Signature]

Name: PAUL TURNER

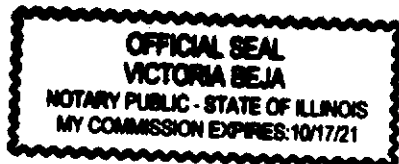
Title: VP, BUSINESS DEVELOPMENT

STATE OF Illinois
COUNTY OF Cook

The foregoing instrument was acknowledged before me this 28th day of January,
2020, by Paul Turner, as VP, Business Development of **Hecate Energy Bonanza**
LLC, a Delaware limited liability company, on behalf of the company. Such person did not
take an oath and: *(notary must check applicable box)*

- ☒ is/are personally known to me.
☐ produced a current _____ driver's license as identification.
☐ produced _____ as identification.

{Notary Seal must be affixed}



[Signature]
Signature of Notary

Victoria Beja
Name of Notary (Typed, Printed or Stamped)

Commission Number (if not legible on seal): _____

My Commission Expires (if not legible on seal): 10/17/2021

EXHIBIT A

**(ATTACHED TO FORM OF MEMORANDUM OF
OPTION AGREEMENT FOR PURCHASE OF EASEMENT)**

LEGAL DESCRIPTION OF THE PROPERTY

52.05 acres of land, more or less, situated in Section 22, Township 39 South, Range 11 East, Klamath County, Oregon, and being more particularly described as all that portion of the Northwest Quarter (NW1/4) of the Southeast Quarter (SE1/4), and the South Half (S1/2) of the Southeast Quarter (SE1/4), lying Northeasterly of the West Langell Valley Road, in Section 22, Township 39 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, under PARCEL 1 of that certain Statutory Warranty Deed dated June 27, 2019, from Mary P. Rutherford to William Jay Watson and Karen Louise Watson, as Tenants by the entirety, recorded under Instrument No. 2019-007302, Deed Records, Klamath County, Oregon.

EXHIBIT A-1

**(ATTACHED TO FORM OF MEMORANDUM OF
OPTION AGREEMENT FOR PURCHASE OF EASEMENT)**

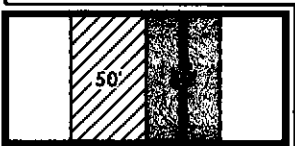
DESCRIPTION OF THE EASEMENT AREA

(FOLLOWING THIS PAGE)

EXHIBIT A-1




**WILLIAM J. & KAREN
LOUISE WATSON
BP-KL-003.500**



Bonanza



- CENTERLINE
- PROPERTY BOUNDARY
- AREA OF PERMANENT RIGHT OF WAY
- ▨ AREA OF TEMPORARY WORKSPACE

3451.13 FT
52.77 AC 
3.96 AC
4.01 AC



Note: (1) Property boundaries shown are based on county assessor's maps and pipeline centerline location is based on GPS data. (2) Access roads and additional temporary workspace are subject to change. Access roads and additional temporary workspace may be required on this tract in the future.

HECATE ENERGY BONANZA, LLC

PROPERTY OF:
WILLIAM J. & KAREN LOUISE WATSON

KLAMATH COUNTY, OR

SCALE: 1" = 0.09mi	DATE: 10/29/2019
BP-KL-003.500	DRAWING NO: 5
DRAWN BY: SH	CHECKED BY: AL REV: 1028-1