

Geo-Newberry Crater, Inc.
1825 S. Grant Street, Suite 900
ss.
San Mateo, CA 94402
(Grantor)

STATE OF OREGON,)
)
COUNTY OF _____)

Terra-Therme II
c/o Hinsdale Corporation
1613 Via Montemar
Palos Verdes Estates, CA 90274

I certify that the within
instrument was received for
record on the _____ day of
_____, 1986, at _____
o'clock _____ M., and recorded
in book/reel/file/instrument/
microfilm No. _____, Record
of Mortgages of said County.

After recording return to:

Terra-Therme II
c/o Hinsdale Corporation
1613 Via Montemar
Palos Verdes Estates, CA 90274

Witness my hand and seal of
County affixed.

Name _____ Title _____

By: _____ Deputy _____

**DEED OF TRUST, SECURITY AGREEMENT,
ASSIGNMENT, FINANCING STATEMENT
AND FIXTURE FILING**

THIS DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT,
FINANCING STATEMENT, AND FIXTURE FILING (this "Deed of Trust") is
made as of January 30, 1986, between GEO-NEWBERRY CRATER, INC. as
grantor and debtor ("Grantor"), having its office at 1825 South
Grant Street, Suite 900, San Mateo, California 94402; TICOR TITLE
INSURANCE COMPANY as trustee ("Trustee"), having its office at
321 S.W. Fourth Street, Portland, Oregon 97024; and TERRA-THERME
II as beneficiary and secured party ("Beneficiary"), whose
address is c/o Hinsdale Corporation, 1613 Via Montemar, Palos
Verdes Estates, CA 90274.

PORTIONS OF THE COLLATERAL DESCRIBED HEREIN ARE GOODS
WHICH ARE OR ARE TO BECOME AFFIXED TO OR FIXTURES ON THE LANDS
DESCRIBED IN OR REFERENCED TO IN EXHIBIT A HERETO.

THIS DEED OF TRUST FUNCTIONS AS A FINANCING STATEMENT
AND FIXTURE FILING, AMONG OTHER PURPOSES, AND IS TO BE FILED FOR
RECORD OR RECORDED AS A FIXTURE FILING, AMONG OTHER PLACES, IN
THE OFFICIAL REAL ESTATE RECORDS OF EACH COUNTY IN WHICH SAID
LAND OR ANY PORTION THEREOF IS LOCATED, AND ALSO IS TO BE FILED
IN THE OFFICE OF THE OREGON SECRETARY OF STATE.

THIS FINANCING STATEMENT COVERS PROCEEDS AND PRODUCTS
OF THE COLLATERAL DESCRIBED HEREIN.

THE REAL PROPERTY ENCUMBERED BY THIS DEED OF TRUST
CONSISTS OF FEDERAL GEOTHERMAL LEASES AND RIGHTS AND INTERESTS
INCIDENTAL THERETO. SUCH LEASES, RIGHTS AND INTERESTS ARE NOT
CURRENTLY USED FOR AGRICULTURAL, TIMBER OR GRAZING PURPOSES.

BY THIS DEED OF TRUST, Grantor irrevocably grants,
bargains, sells and conveys to Trustee, its successors and
assigns forever, in trust, with power of sale, an undivided
twenty percent (20%) interest in all of Grantor's right, title
and interest, whether now held or hereafter acquired in the real
property in Deschutes, Klamath and Lake Counties in the State of
Oregon consisting of those certain geothermal leases issued by
the United States of America listed in Exhibit A hereto and by

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this reference incorporated herein (the "Leases"), covering the lands of the United States of America described in Exhibit A (the "Lands");

TOGETHER WITH, except to the extent already conveyed by the foregoing grant, an undivided twenty percent (20%) interest in all of Grantor's right, title and interest whether now held or hereafter acquired in:

A. All of the geothermal resources (as that term is defined in 43 C.F.R. Section 3200.0-5(c) (1984)) ("Geothermal Resources") in, on or under, or extracted or produced from, or attributed to, any of the Lands;

B. All wells, including casing, through the wellhead assembly, now or hereafter located in, on, under, affixed or attributed to the Lands or obtained or used in connection with any of the Leases, and used or purchased for the production or sale of Geothermal Resources;

C. All of the further rights, privileges, benefits, hereditaments and appurtenances in any way belonging, incidental or appertaining to the Lands, the Leases or any of the property described under clauses A and B above; and

D. All of the proceeds and products of the Lands, the Leases or the property described under A through C above, including without limitation electricity generated through the utilization of Geothermal Resources, proceeds from the sale of such electricity, condemnation awards and the proceeds of any and all title insurance policies and other insurance policies covering all or any part of said property;

the undivided interests in the Leases, Lands, and property described in clauses A through D that are encumbered by this Deed of Trust being referred to hereafter as the "Collateral";

TO HAVE AND TO HOLD IN TRUST for the security and benefit of Beneficiary, its successors and assigns, subject to all of the terms, conditions, covenants, and agreements set forth in this Deed of Trust;

FOR THE PURPOSE OF SECURING:

- (1) all of the obligations of payment and performance promised by Grantor pursuant to that certain Secured Promissory Note dated as of the same date as this Deed of Trust (the "Note") (the payment obligations under the Note being an indefinite sum);
- (2) performance of all of Grantor's obligations under this Deed of

Trust (including the obligation to pay in a timely manner all sums due hereunder);

- (3) any amounts advanced by Beneficiary pursuant to the terms of the Deed of Trust in order to protect the Collateral.
- (4) all other indebtedness, obligations, and liabilities of Grantor, owed to Beneficiary, and evidenced by a written instrument reciting that it is secured by this Deed of Trust; and
- (5) any renewals, extensions, amendments, modifications of or substitutions for any of the above obligations;

the obligations described in clauses (1) through (5) above being hereinafter referred to as the "Obligations".

DEBTOR FURTHER WARRANTS, REPRESENTS, COVENANTS AND AGREES AS FOLLOWS:

ARTICLE I WARRANTIES, REPRESENTATIONS AND COVENANTS

1.1 Grantor covenants that, so long as any part of the Obligations remains unpaid or unsatisfied, unless Beneficiary shall have otherwise consented in writing:

(a) Grantor shall pay or perform, or cause to be paid or performed, when due, the Obligations in accordance with the terms thereof and hereof.

(b) Grantor shall pay or cause to be paid: (1) all taxes, assessments and governmental charges assessed or imposed upon, with respect to, measured by or charged against the Collateral, the development, operation and production of the Collateral, this Deed of Trust and the Obligations, or any of them, and assessed or imposed upon Grantor because of Grantor's ownership thereof, or upon Trustee or Beneficiary because of their respective interests therein; (2) all Federal and State income taxes payable generally by Grantor, regardless of their relation to the Collateral; and (3) all Federal and State social security, unemployment, disability, retirement and similar taxes, payments and contributions for which Grantor may be liable; in each instance before the same become delinquent, or, as to any thereof which are being contested in good faith by appropriate proceedings, promptly after the final determination of such contest, together with any interest and penalty payable in connection therewith.

(c) At Beneficiary's request, Grantor shall cooperate with Beneficiary, at Beneficiary's own expense, to file and refile in such offices, at such times and as often as may be necessary, this Deed of Trust and every other instrument in addition or supplemental hereto, including applicable financing statements, as may be necessary to create, perfect, maintain and preserve the lien and security interest intended to be created hereby and the rights and remedies of Beneficiary hereunder, or to take other actions necessary or expedient to be done to effectively create, perfect, maintain and preserve the lien and security interest intended to be created hereby as a first lien on real property and fixtures and as a prior security interest in personal property and fixtures.

(d) Unless in accordance with prudent geothermal-field practice, or except when required in order to secure financing for geothermal development or operations on the Lands, Grantor shall not: (1) amend, modify or otherwise revise any Lease; (2) release, surrender, abandon or forfeit the Collateral or any part thereof; (3) sell, convey, assign, lease, sublease, alienate, mortgage or grant security interests in or otherwise dispose of or encumber the Collateral or any part thereof, except (i) sales of extracted Geothermal Resources in the ordinary course of Grantor's business, (ii) the lien and security interest created by this Deed of Trust and liens for taxes, assessments and governmental charges not delinquent or the validity of which is being contested in good faith by appropriate proceedings, and (iii) overriding royalties in an effective aggregate amount not greater than five percent (5%) of one hundred percent (100%); or (4) consent to or permit (to the extent it has the power to prevent) any such act by another party in respect of the Collateral or any part thereof. Where a release, surrender or abandonment of any part of the Collateral would be permitted by the previous sentence, Grantor nonetheless shall not take any such action until it has given Beneficiary (or its designated representative) at least ninety (90) days prior written notice, describing the Collateral in question, and Beneficiary shall have fifteen (15) days after the effective date of Grantor's notice within which to notify Grantor of its intention to assume title to the Collateral, in which case Grantor shall assign the Collateral to Beneficiary.

If Beneficiary does not respond to Grantor's notice within fifteen (15) days, Grantor shall have the right to surrender, release or abandon the Collateral covered by Grantor's notice to the extent and in the manner prescribed by applicable law.

(e) Except when not in accordance with prudent geothermal-field practice, Grantor shall, at Grantor's own expense: (1) take all reasonable steps to keep in full force and effect all of the Leases and all rights of way, easements and privileges necessary or appropriate for the proper operation of the Leases, including without limitation, the proper payment of all rentals, royalties and other sums required thereunder and the proper performance of all obligations and other acts required thereunder; (2) take all reasonable steps to cause the Collateral to be properly maintained, developed and continuously operated for the production, processing and sale of Geothermal Resources and protected against drainage and damage, in a good and workmanlike manner as a prudent operator would, in accordance with good geothermal-field practice and applicable Federal, State and local laws, rules, regulations and orders; (3) take all reasonable steps to pay or cause to be paid when required all expenses incurred in connection with such maintenance, development, operation and protection of the Collateral; (4) take all reasonable steps to keep all goods, including equipment, inventory and fixtures included in the Collateral in good and effective repair, working order and operating condition and make all repairs, renewals, replacements, substitutions, additions and improvements thereto and thereof as are necessary and proper; (5) permit Trustee or Beneficiary, through their employees and agents, to enter upon the Collateral, at reasonable times and at their sole risk and expense for the purpose of investigating and inspecting the condition and operation of the Collateral, and do all things necessary or proper to enable Trustee or Beneficiary to exercise this right whenever Trustee or Beneficiary so desires; and (6) do all other things necessary to keep unimpaired Trustee's and Beneficiary's interest in the Collateral.

(f) Grantor shall carry or cause to be carried, with responsible insurance carriers, and in reasonable amounts: (1) worker's compensation insurance and public liability insurance in respect of all activities in which

Grantor might incur personal liability for the death or destruction of another's property; and (2) insurance against loss to the personal property, buildings, fixtures and other improvements included in the Collateral, by fire, lightning, hail, tornado and other similar risks, to the extent that such insurance is carried by others engaged in similar undertakings in the same general areas in which the Collateral is located; which policies, if Beneficiary reasonably requests, shall name Beneficiary as a loss payee and contain a standard lender's loss payable endorsement in the case of casualty insurance, and shall name Beneficiary as an additional insured in the case of liability insurance; and Beneficiary may apply any proceeds of such insurance which it may receive toward part or full satisfaction of the Obligations, whether or not then due.

(g) Grantor shall execute, acknowledge and deliver to Trustee and Beneficiary such other and further instruments and do such other acts as in the reasonable opinion of Trustee or Beneficiary may be necessary or desirable to effect the intent of this Deed of Trust, promptly upon request of Trustee or Beneficiary and at Grantor's expense.

(h) Grantor shall promptly furnish to Beneficiary such information concerning the Collateral and Grantor's operations in connection with the Collateral as Beneficiary may reasonably request.

(i) Grantor shall keep proper books of record and account in which complete and correct entries shall be made of Grantor's transactions in accordance with generally accepted accounting principles, and shall keep the records concerning the accounts and contract rights included in the Collateral at Grantor's principal place of business, available for inspection by Beneficiary and Beneficiary's agents, on reasonable advance notice, during Grantor's regular business hours.

(j) Grantor is and shall continue to be: (1) duly organized and existing under the laws of the State of Delaware; and (2) duly authorized to execute, acknowledge and deliver the written instruments comprising the Obligations and this Deed of Trust and to observe and perform Grantor's duties thereunder and hereunder.

1.2 Grantor agrees that, if Grantor fails to perform any act which Grantor is required to perform hereunder,

Beneficiary may, but shall not be obligated to, perform or cause to be performed such act, and any expense so incurred by Beneficiary shall be a demand obligation owing by Grantor to Beneficiary and shall bear interest at an annual rate (the "Trust Deed Rate") which equals the lesser of (1) the rate announced from time to time by the Los Angeles Main Office of Bank of America N.T. & S.A. as its "prime rate" plus four percent (4%) per annum or (2) the maximum rate permitted by law, until paid and shall be a part of the Obligations, and Beneficiary shall be subrogated to all rights of the party receiving such payment.

ARTICLE II COLLECTION OF PROCEEDS OF PRODUCTION

2.1 Grantor hereby assigns to Beneficiary the right to receive twenty percent (20%) of Grantor's share of the Geothermal Resources extracted from the Lands, together with twenty percent (20%) of the proceeds receivable by Grantor ("Proceeds") from the sale of such Geothermal Resources and from the sale of electricity generated through the utilization of such Geothermal Resources; provided, however, that except during the pendency of an Event of Default (as hereafter defined), Grantor shall have the right to collect, retain and enjoy the Proceeds. All parties purchasing or receiving Geothermal Resources from Grantor are hereby authorized and directed to treat and regard Beneficiary as the party entitled to receive the Proceeds in Grantor's place and stead upon written notice from Beneficiary to such persons.

2.2 All of the Proceeds received by Beneficiary pursuant to Section 2.1 during a particular calendar month shall be applied by Beneficiary in satisfaction of Obligations then due, in such order of application as Beneficiary shall determine in its sole and absolute discretion, as of the first day of the next succeeding calendar month. Any balance remaining after such application shall be applied first to the creation of such reserves for the satisfaction of Obligations to become due within the next succeeding calendar month as Beneficiary reasonably determines to be necessary to satisfy such Obligations as they become due; and the balance, if any, shall be paid to Grantor. If the Proceeds received by Beneficiary pursuant to Section 2.1 during any month are not sufficient to make the minimum required payments of principal of and interest on the Obligations, then Grantor on or before the due date shall make payment to Beneficiary of any amount which, when added to such Proceeds received, is sufficient to make the minimum required payments of principal of and interest on the Obligations.

2.3 Upon any sale of any of the Collateral pursuant to Article IV, the Geothermal Resources thereafter produced from or attributed to the part of the Collateral so sold, and the Proceeds thereof, shall be included in such sale and shall pass to the purchaser free and clear of the provisions of this Article.

2.4 Beneficiary is hereby absolved from all liability for failure to enforce collection of any Geothermal Resources or Proceeds and from all other responsibility in connection therewith, except the responsibility to account to Grantor for Proceeds actually received.

2.5 Grantor shall indemnify Beneficiary against all claims, actions, liabilities, judgments, costs, attorneys' fees or other charges of whatsoever kind or nature (herein called "Claims") made against or incurred by Beneficiary as a consequence of the assertion, either before or after the payment in full of the Obligations, that Beneficiary received Proceeds pursuant to this Article which were claimed by third persons.

Beneficiary shall have the right to employ attorneys and to defend against any Claims, and unless furnished with reasonable indemnity, Beneficiary shall have the right to pay or compromise and adjust all Claims. Grantor shall indemnify and pay to Beneficiary all such amounts as may be paid in respect thereof or as may be successfully adjudicated against Beneficiary. Until paid, amounts due Beneficiary under this Section shall be Obligations and shall bear interest at the Trust Deed Rate. The liabilities of Grantor as set forth in this Section shall survive the termination of this Deed of Trust.

2.6 Grantor hereby authorizes and empowers Beneficiary, upon the occurrence and during the pendency of an Event of Default, to demand, collect, receive and give receipt for all production and Proceeds assigned hereunder, and Beneficiary is hereby appointed agent and attorney-in-fact of Grantor for the purpose of executing any release, receipt, division order, transfer order, relinquishment or other instrument that Beneficiary deems necessary in order for Beneficiary to collect and receive such production and Proceeds. In addition, Grantor agrees that upon Beneficiary's request it will promptly execute and deliver to Beneficiary such transfer orders, payment orders, division orders and other instruments as Beneficiary may deem necessary, convenient or appropriate in connection with the payment and delivery directly to Beneficiary of all Proceeds. Grantor hereby authorizes and directs that, upon the request of Beneficiary (which shall be made only during the pendency of an Event of Default), all purchasers and other parties now or hereafter purchasing or receiving Geothermal Resources from or allocated to the Lands, or any part thereof, or now or hereafter having in their possession or control any Proceeds, shall, until Beneficiary directs otherwise (which Beneficiary shall do when the Event of Default has been cured), pay and deliver the assigned Proceeds and production directly to Beneficiary at Beneficiary's address set forth in the introduction to this Deed of Trust, or in such other manner as Beneficiary may direct such parties in writing, and this authorization shall continue until this Deed of Trust is released. Grantor agrees that all division orders, transfer orders, receipts and other instruments that Beneficiary may from time to time execute and deliver during the pendency of an Event of Default for the purpose of collecting and receipting for such Proceeds may be relied upon in all respects, and that the same shall be binding upon Grantor and its successors and assigns. No party making payments to Beneficiary at its request under the assignments contained herein shall have any responsibility to see to the application of any of such funds, and any party paying or delivering Proceeds, to Beneficiary under such assignments shall be released thereby from any and all liability to Grantor to the full extent and amount of all production or Proceeds so delivered. Grantor agrees to indemnify and hold harmless any and all parties making payments to Beneficiary, at Beneficiary's request under the assignments contained herein, against any and all liabilities, actions, claims, judgments, costs, charges and attorneys' fees resulting from the delivery of such payments to Beneficiary. Should Beneficiary bring suit against any third party for collection of any amounts or sums included within this assignment (and Beneficiary shall have the right to bring any such suit), it may sue in its own name or in the name of Grantor, or both.

ARTICLE III TERMINATION

If all of the Obligations of Grantor shall be paid and performed in full pursuant to the terms and conditions of this Deed of Trust and the instruments evidencing the Obligations, and if Grantor shall have performed all of the covenants herein

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contained, then Trustee and Beneficiary shall, promptly after the request of Grantor, execute, acknowledge and deliver to Grantor proper instruments evidencing the termination and reconveyance of this Deed of Trust. Grantor shall pay all legal fees and other expenses incurred by Beneficiary for preparing and reviewing such instruments of reconveyance and termination and the execution and delivery thereof, and Beneficiary may require payment of the same prior to delivery of such instruments. Otherwise, this Deed of Trust shall remain and continue in full force and effect.

ARTICLE IV DEFAULT

4.1 Upon the occurrence of any of the following events ("Events of Default"), all amounts secured hereby shall become immediately due and payable, all without demand, presentment, notice or other requirements of any kind, all of which are hereby expressly waived by Grantor, and the liens evidenced hereby shall be subject to foreclosure in any manner provided for herein or provided for by law:

(a) Failure to pay any fee due Beneficiary or any installment of principal of or interest on the Obligations within fifteen (15) days after the date due;

(b) Failure of Grantor to perform or observe any term, condition or provision of this Deed of Trust, of any document or agreement executed by Grantor in connection with this Deed of Trust or of any other agreement now or hereafter existing between Grantor and Beneficiary, where such failure continues for fifteen (15) days after receipt of notice from Beneficiary describing such failure; provided, however, that if such failure reasonably would require more than fifteen (15) days to cure, the failure shall not be an Event of Default if Grantor commences to cure the failure within fifteen (15) days after Beneficiary's notice and thereafter proceeds diligently to cure the failure;

(c) If any of Grantor's representations or warranties made herein or any statement or certificate at any time given in writing pursuant hereto or in connection herewith shall prove to be false or misleading in any material respect;

(d) If Grantor shall make an assignment for the benefit of creditors or shall commence a case under the federal bankruptcy laws, or shall file any petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, or shall file any answer admitting or not contesting the material allegations of a petition filed against Grantor in any such proceeding, or shall

seek or consent to or acquiesce in the appointment of any trustee, custodian, receiver or liquidator of Grantor or of all or any substantial part of the properties of Grantor, or Grantor or its partners shall take any action for the purpose of any of the foregoing;

(e) If any money judgment, writ or warrant of attachment, or similar process shall be entered or filed against Grantor or any of its respective assets (except any of its respective assets held for the benefit of a third party) and shall remain unvacated, unbonded or unstayed for a period of 30 days or in any event later than five (5) days prior to the date of any proposed sale thereunder; or

(f) If without the consent or acquiescence of Grantor, an order shall be entered constituting an order for relief or approving a petition for relief or reorganization or any other petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or other similar relief under any present or future statute, law or regulation, or any such petition shall be filed against Grantor and such petition shall not be dismissed within forty-five (45) days, or, without the consent or acquiescence of Grantor, an order shall be entered appointing a trustee, custodian, receiver or liquidator (or similar official) of Grantor or of all or any substantial part of the properties of Grantor and such order shall not be dismissed within thirty (30) days.

4.2 Upon the occurrence of any of the Events of Default, or at any time thereafter, Beneficiary may elect to treat any fixtures included in the Collateral either as real property or as personal property, but not as both, and proceed to exercise such rights as apply to the type of property selected.

4.3 Upon the occurrence of any of the Events of Default, and at all times thereafter, in addition to all other rights and remedies herein conferred, beneficiary shall have all of the rights and remedies of a mortgagee and Beneficiary under a deed of trust granted by applicable law, and, to the extent permitted by applicable law, shall have the right and power, but not the obligation, to enter upon and take immediate possession of the real property included in the Collateral or any part thereof, to exclude Grantor therefrom, to hold, use, operate, manage and control such real property, to make all such repairs, replacements, alterations, additions and improvements to the same as Beneficiary may deem proper, to sell all extracted Geothermal Resources therefrom, to demand, collect and retain all other earnings, Proceeds and other sums due or to become due with respect to such real property, accounting for and applying to the payment of the Obligations only the net earnings arising therefrom after charging against the receipt therefrom all costs, expenses, charges, damages and losses incurred by reason thereof, plus interest thereon at the Trust Deed Rate, as fully and effectually as if Beneficiary were the absolute owner of such

real property and without any liability to Grantor in connection therewith.

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4.4 Upon the occurrence of any of the Events of Default, or at any time thereafter, Beneficiary, in lieu of or in addition to exercising any other power hereby granted, may without notice, demand or declaration of default, all of which are hereby waived by Grantor, proceed by an action or actions in equity or at law for the seizure and sale of the real property included in the Collateral or any part thereof, for the specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, for the foreclosure or sale of such real property or any part thereof under the judgment or decree of any court of competent jurisdiction, for the appointment of a receiver pending any foreclosure hereunder or the sale of such real property or any part thereof or for the enforcement of any other appropriate equitable or legal remedy.

4.5 Upon the occurrence of any of the Events of Default, or at any time thereafter, in addition to all other rights and remedies herein conferred, Beneficiary shall have all of the rights and remedies of a secured party granted by applicable law, including the Oregon Uniform Commercial Code, and shall, to the extent permitted by applicable law, have the right and power, but not the obligation, to take possession of any personal property included in the Collateral, and for that purpose Beneficiary may enter upon any premises on which any or all of such personal property is located and take possession of and operate such personal property or remove the same therefrom. Beneficiary may require Grantor to assemble such personal property and make it available to Beneficiary at a place to be designated by Beneficiary which is reasonably convenient to both parties. If notice is required by applicable law, five (5) days' prior written notice of the time and place of any public sale or of the time after which any private sale or any other intended disposition thereof is to be made shall be reasonable notice to Grantor. No such notice is necessary if such property is perishable, threatens to decline speedily in value or is of a type customarily sold on a recognized market.

4.6 Upon the occurrence of any of the Events of Default, or at any time thereafter, Beneficiary may elect to enforce this Deed of Trust in equity as a mortgage or to direct Trustee to foreclose this Deed of Trust by advertisement and sale. In the latter event:

(a) Trustee or Beneficiary shall execute and cause to be recorded a written notice of default and an election to sell the said described real property to satisfy the obligations secured hereby, whereupon Trustee shall fix the time and place of sale, give notice thereof as then required by law and proceed to foreclose this trust deed in the manner provided in Oregon Revised Statutes.

(b) Should the Beneficiary elect to foreclose by advertisement and sale, then, after the default, at any time prior to five (5) days before the date set by the Trustee for the trustee's sale, Grantor, or any other person so privileged under the Oregon Revised Statutes, may pay to the Beneficiary or his successors in

interest, respectively, the entire amount then due under the terms of this Deed of Trust and the Obligations (including costs and expenses actually incurred in enforcing the terms of the Obligations and trustee's and attorney's fees not exceeding the amounts provided by law), other than such portion of the principal as would not then be due had no default occurred, and thereby cure the default, in which event all foreclosure proceedings shall be dismissed by Trustee.

(c) Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale or the time to which said sale may be postponed as provided by law. Trustee may sell said described real property either in one parcel or in separate parcels, as permitted by law, and shall sell the parcel or parcels at auction to the highest bidder for cash, payable at the time of sale. Trustee shall deliver to the purchaser its deed, in form as required by law, conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters or fact shall be conclusive proof of the truthfulness thereof. Any person, excluding the Trustee, but including Grantor and Beneficiary, may purchase the Collateral at the sale.

(d) Trustee may postpone the sale of such real property or any part thereof by public announcement at the time and place of such sale, and from time to time thereafter may further postpone such sale by public announcement made at the time of sale fixed by the preceding postponement.

(e) Sale of a part of such real property or any defective or irregular sale hereunder will not exhaust the power of sale, and sales may be made from time to time until all such real property is sold without defect or irregularity or the Obligations are paid in full.

4.7 Any sale of the Collateral or any part thereof pursuant to the provisions of this Article IV will operate to divest all right, title, interest, claim and demand of Grantor in and to the property sold and will be a perpetual bar against Grantor. Nevertheless, if requested by Trustee or Beneficiary so to do, Grantor shall join in the execution, acknowledgment and delivery of all proper conveyances, assignments and transfers of the property so sold. Any purchaser at a foreclosure sale will receive immediate possession of the property purchased.

4.8 Subject to any mandatory requirements of applicable law, Grantor agrees that Grantor shall not at any time have or assert any right, under any law pertaining to the sale of property in the inverse order of alienation, the exemption of

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homesteads, the administration of estates of decedents, appraisement, valuation, stay, extension or redemption now or hereafter in force, in order to prevent or hinder the rights of Trustee, Beneficiary or any purchaser of the Collateral or any part thereof under this Deed of Trust, and Grantor, to the extent permitted by applicable law, hereby waives the benefit of all such laws.

4.9 All costs and expenses, including reasonable attorneys' fees and legal expenses, incurred by Trustee or Beneficiary in protecting and enforcing their rights hereunder upon the occurrence of an Event of Default, shall be a demand obligation of Grantor owed to Beneficiary, bearing interest at the Trust Deed Rate, and shall be part of the Obligations.

4.10 The proceeds of any sale of the Collateral or any part thereof made pursuant to this Article IV shall be applied as follows:

(a) First, to the payment of all costs and expenses incident to the enforcement of this Deed of Trust with respect to Grantor, including without limitation a reasonable compensation to the agents, attorneys and counsel of Trustee and Beneficiary;

(b) Second, to the payment of the Obligations; and

(c) Third, the remainder, if any, shall be paid to Grantor or such other person or persons as may be entitled thereto by law; provided, however, Grantor shall remain liable to Beneficiary for any deficiency in the Obligations remaining after any such sale to the maximum extent permitted by law.

4.11 Upon any sale made under the powers of sale herein granted and conferred, the receipt of Trustee or Beneficiary, whichever is conducting the sale, will be sufficient discharge to the purchaser or purchasers at any sale for the purchase money, and such purchaser or purchasers and their heirs, devisees, personal representatives, successors and assigns thereof will not, after paying such purchase money and receiving such receipt of Trustee or Beneficiary, be obliged to see to the application of the purchase money or be in any way answerable for any loss, misapplication or non-application of the purchase money.

ARTICLE V TRUSTEE

5.1 Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Grantor, Beneficiary or Trustee shall be a party unless such action or proceeding is brought by Trustee. Trustee may resign by sending a written notice of resignation addressed to Beneficiary, or be removed at any time, with or without cause, by an instrument in writing duly executed by Beneficiary. In case of death, resignation or removal of Trustee, a successor Trustee may be appointed by Beneficiary by a written instrument complying with any applicable requirements of law, and in the absence of any requirement, without other

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formality than an appointment and designation in writing. Such appointment and designation will be full evidence of the right and authority to make the same and of all facts therein recited, and upon the making of any such appointment and designation, this conveyance will vest in the named successor Trustee all the right, title and interest of Trustee in all of the real property and fixtures included in the Collateral, and said successor will thereupon succeed to all the rights, powers, privileges, immunities and duties hereby conferred upon Trustee. All references herein to Trustee will be deemed to refer to the Trustee from time to time acting hereunder.

5.2 Beneficiary shall indemnify Trustee against all claims, actions, liabilities, judgments, costs, attorneys' fees or other charges of whatsoever kind or nature made against or incurred by Trustee, and arising out of Trustee performing the duties of Trustee hereunder, except with respect to wilful or reckless misconduct or omissions by Trustee.

ARTICLE VI SECURITY AGREEMENT

To the extent that any of the Collateral constitutes personal property, Grantor, as debtor, hereby grants to Beneficiary, as secured party, a security interest in such Collateral pursuant to the Uniform Commercial Code of Oregon, to secure performance of each and every one of the Obligations. This Deed of Trust, to the extent permitted by law, shall be the financing statement and fixture filing for perfection of the security interest and shall be filed in the Office of the Secretary of State of the State of Oregon and filed for record and recorded, as required by law in order to perfect a security interest in fixtures, in the Official Real Estate Records of Deschutes, Klamath and Lake Counties. Grantor further agrees to execute (with acknowledgment if requested by Beneficiary) such further financing statements and fixture filings and take such other actions as may be required in order to perfect the security interest granted in this Article.

ARTICLE VII MISCELLANEOUS PROVISIONS

7.1 Each and every right, power and remedy hereby granted to Trustee or Beneficiary shall be cumulative and not exclusive, and each and every right, power and remedy, whether specifically hereby granted or otherwise existing, may be exercised from time to time and as often and in such order as may be deemed expedient by Trustee or Beneficiary, and the exercise of any such right, power or remedy will not be deemed a waiver of the right to exercise, at the same time or thereafter, any other right, power or remedy. No delay or omission by Trustee or Beneficiary in the exercise of any right, power or remedy will impair any such right, power or remedy or operate as a waiver thereof or of any other right, power or remedy then or thereafter existing. Any and all covenants of Grantor in this Deed of Trust may from time to time by instrument in writing signed by Beneficiary be waived to such extent and in such manner as Beneficiary may desire, but no such waiver will ever affect or impair Trustee's and Beneficiary's rights hereunder, except to the extent specifically stated in such written instrument. All changes to and modifications of this Deed of Trust must be in writing and signed by Beneficiary.

7.2 No release from the lien of this Deed of Trust on any part of the Collateral by Trustee or Beneficiary shall in any way alter, vary or diminish the force, effect or lien of this Deed of Trust on the balance of the Collateral.

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7.3 If any provision hereof or of any of the written instruments constituting all or part of the Obligations is invalid or unenforceable, the other provisions hereof or of said written instruments shall remain in full force and effect and the remaining provisions hereof will be liberally construed in favor of Trustee and Beneficiary in order to carry out the provisions hereof.

7.4 This Deed of Trust will be deemed to be and may be enforced from time to time as an assignment, contract, deed of trust, financing statement, real estate mortgage, or security agreement, and from time to time as any one or more thereof is appropriate under applicable law. A carbon, photographic or other reproduction of this Deed of Trust or any financing statement in connection herewith shall be sufficient as a financing statement for any and all purposes.

7.5 All interest required hereunder and under the Obligations shall be calculated on the basis of a year of 360 days. Notwithstanding anything to the contrary contained herein, no rate of interest required hereunder or under the Obligations shall exceed the maximum legal rate under applicable law, and, in the event any such rate is found to exceed such maximum legal rate, Grantor shall be required to pay only such maximum legal rate.

7.6 This Deed of Trust may be executed in several original counterparts. Each counterpart shall be deemed to be an original for all purposes, and all counterparts shall together constitute but one and the same instrument.

7.7 All notices hereunder shall be deemed to have been duly made if actually delivered or if mailed by registered or certified mail, postage prepaid, addressed as set forth above. Any party may, by written notice so delivered to the others, change the address to which delivery shall thereafter be made.

7.8 This Deed of Trust shall bind and inure to the benefit of the respective successors and assigns of Grantor, of Trustee and of Beneficiary. Notwithstanding any other provision contained herein, if any property interest granted by this Deed of Trust does not vest on the execution and delivery of this Deed of Trust, it shall vest, if at all, no later than 20 years and 364 days after the death of the last surviving descendant of Joseph P. Kennedy (the late father of the late President of the United States, John F. Kennedy) who is alive as of the date of this Deed of Trust.

7.9 Grantor hereby requests that a copy of any notice of default or notice of sale hereunder be mailed to it at the address of Grantor first set forth above.

IN WITNESS OF THE ABOVE, Grantor has executed this Deed of Trust as of the date first written above.

GEO-NEWBERRY CRATER, INC.
a Delaware corporation

By: Chandler A. Swanberg
Chandler A. Swanberg
President

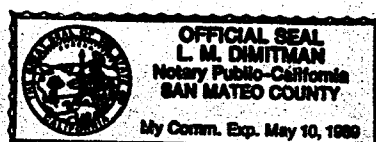
By: Thomas I. Hamilton
Thomas I. Hamilton
Secretary

STATE OF CALIFORNIA)
) ss.
County of San Mateo)

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On this 30th day of January, in the
year 1986,
before me, L.M. Dimitman, a Notary Public in and for said State,
personally appeared Chandler A. Swanberg, personally known to me
(or proved to me on the basis of satisfactory evidence) to be the
person who executed the within instrument as President of Geo-
Newberry Crater, Inc., and acknowledged to me that the
corporation executed it pursuant to its by-laws or a resolution
of its Board of Directors, and Thomas I. Hamilton, personally
known to me (or proved to me on the basis of satisfactory
evidence) to be the person who executed the within instrument as
Secretary of Geo-Newberry Crater, Inc., and acknowledged to me
that the corporation executed it pursuant to its by-laws or a
resolution of its Board of Directors.

L.M. Dimitman
L.M. Dimitman
Notary Public for California



(SEAL)

EXHIBIT "A"

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COUNTIES OF DESCHUTES, KLAMATH AND LAKE
STATE OF OREGON

Note: This Schedule refers only to federal geothermal leases covering the lands identified below to the extent such interests are held or hereafter acquired by Geo-Newberry Crater, Inc., a Delaware corporation.

DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER AND EXPIRATION DATE OF LEASE	BASIC ROYALTY AND OWNERSHIP PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE AS OF 04/01/85
<u>FEDERAL LANDS COVERED</u>				
<u>T22S-R13E, WM</u> Sec. 11, all Sec. 25, all Sec. 29, all	1,920.00	OR11906 01/31/93	United States All	Alexander S. Bowers 100.000%
<u>T22S-R14E, WM</u> Sec. 1, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 5, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 19, Lot 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all) Sec. 27, all	2,560.15	OR11907 06/30/93	United States All	L. H. Armour, Jr. 100.000%
<u>T20S-R13E, WM</u> Sec. 7, Lot 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all) Sec. 20, all Sec. 31, Lot 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all)	1,918.76	OR11910 07/31/93	United States All	Rodman A. Heeren 100.000%
<u>T23S-R14E, WM</u> Sec. 5, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 11, all Sec. 20, all Sec. 26, all	2,557.41	OR11912 07/31/93	United States All	Rodman A. Heeren 100.000%
<u>T22S-R13E, WM</u> Sec. 1, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 19, Lot 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all) Sec. 23, all	1,916.02	OR11915 02/28/93	United States All	Terry Allen Kramer 100.000%
<u>T22S-R12E, WM</u> Sec. 24, all Sec. 27, all Sec. 30, Lot 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all)	1,918.56	OR11916 04/30/93	United States All	Sherburn M. Becker 100.000%
<u>T23S-R14E, WM</u> Sec. 4, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 15, all Sec. 27, all	1,920.61	OR11917 11/30/92	United States All	Jerry L. Roberts 100.000%
<u>T23S-R12E, WM</u> Sec. 1, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 7, Lot 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all) Sec. 10, all Sec. 22, all	2,533.28	OR11918 11/30/92	United States All	H. H. S. Phillips 100.000%

TAB
CAS

DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER AND EXPIRATION DATE OF LEASE	BASIC ROYALTY AND OWNERSHIP PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE AS OF 04/01/85
<u>T23S-R14E, WM</u> Sec. 9, all Sec. 22, all Sec. 29, all Sec. 35, all	2,560.00	OR11919 01/31/93	United States All	James M. Morris 100.000%
<u>T23S-R13E, WM</u> Sec. 16, all Sec. 24, all Sec. 32, all Sec. 36, all	2,560.00	OR11921 01/31/93	United States All	Alexander S. Bowers 100.000%
<u>T22S-R14E, WM</u> Sec. 3, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 17, all Sec. 33, all	1,922.72	OR11925 06/30/93	United States All	L. H. Armour, Jr. 100.000%
<u>T21S-R14E, WM</u> Sec. 12, all Sec. 15, all Sec. 30, Lot 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all) Sec. 33, all	2,539.39	OR11929 11/30/92	United States All	Paul F. Scheibe 100.000%
<u>T23S-R12E, WM</u> Sec. 3, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 6, Lot 1-7, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ (all) Sec. 20, all Sec. 24, all	2,475.78	OR11931 11/30/92	United States All	Rodney W. Markley, Jr. 100.000%
<u>T21S-R13E, WM</u> Sec. 11, all Sec. 25, all	1,280.00	OR11982 12/31/92	United States All	Terry Allen Kramer 100.000%
<u>T20S-R13E, WM</u> Sec. 18, Lot 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all) Sec. 32, all	1,278.99	OR11986 11/30/92	United States All	Robert B. Davis, 100.000%
<u>T21S-R12E, WM</u> Sec. 9, all Sec. 12, all Sec. 29, all	1,920.00	OR11987 04/30/93	United States All	George W. Waters 100.000%
<u>T21S-R12E, WM</u> Sec. 2, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 20, all	1,248.00	OR11992 04/30/93	United States All	George W. Waters 100.000%
<u>T22S-R13E, WM</u> Sec. 13, all Sec. 17, all Sec. 31, Lot 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all) Sec. 35, all	2,558.82	OR11994 02/28/93	United States All	Hawthorn Oil Co. 100.000%

DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER AND EXPIRATION DATE OF LEASE	BASIC ROYALTY AND OWNERSHIP PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE AS OF 04/01/85
<u>T20S-R12E, WM</u> Sec. 12, all Sec. 18, Lot 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all) Sec. 23, all Sec. 29, all	2,524.38	OR11996 03/31/93	United States All	Robert B. Bunn 100.000%
<u>T22S-R11E, WM</u> Sec. 1, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 10, all Sec. 24, all Sec. 27, all	2,560.92	OR11998 11/30/92	United States All	Frances B. Bunn 100.000%
<u>T21S-R13E, WM</u> Sec. 3, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 6, Lot 1-7, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ (all) Sec. 23, all	1,729.20	OR11999 04/30/93	United States All	Elizabeth Darlington 50.000% Victoria Darlington 50.000%
<u>T22S-R14E, WM</u> Sec. 7, Lot 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all) Sec. 15, all Sec. 29, all Sec. 35, all	2,554.76	OR12000 06/30/93	United States All	L. H. Armour, Jr. 100.000%
<u>T22S-R11E, WM</u> Sec. 35, all	1,920.00	OR12001 12/31/92	United States All	Terry Allen Kramer 100.000%
<u>T23S-R11E, WM</u> Sec. 10, all Sec. 12, all				
<u>T22S-R12E, WM</u> Sec. 21, all Sec. 23, all Sec. 34, all	1,920.00	OR12003 12/31/92	United States All	L. H. Armour, Jr. 100.000%
<u>T20S-R12E, WM</u> Sec. 10, all Sec. 22, all Sec. 24, all Sec. 34, all	2,560.00	OR12004 03/31/93	United States All	Frances B. Bunn 100.000%
<u>T21S-R13E, WM</u> Sec. 13, all Sec. 35, all	1,280.00	OR12006 03/31/93	United States All	Robert A. Bernhard 100.000%
<u>T20S-R12E, WM</u> Sec. 1, Lot 1, S $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ Sec. 8, all Sec. 26, all Sec. 32, all	2,399.75	OR12007 03/31/93	United States All	Robert B. Bunn 100.000%

DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER AND EXPIRATION DATE OF LEASE	BASIC ROYALTY AND OWNERSHIP PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE AS OF 04/01/85
<u>T21S-R13E, WM</u> Sec. 2, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 5, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all)	1,069.39	OR12008 03/31/93	United States All	Frances B. Burn 100.000%
<u>T22S-R11E, WM</u> Sec. 3, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 13, all Sec. 25, all Sec. 34, all	2,560.72	OR12009 12/31/92	United States All	Robert B. Davis 100.000%
<u>T23S-R12E, WM</u> Sec. 2, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 5, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 16, all Sec. 23, all	2,480.33	OR12010 12/31/92	United States All	L. H. Armour, Jr. 100.000%
<u>T23S-R12E, WM</u> Sec. 28, all	640.00	OR12011 12/31/92	United States All	Ronald L. Gallatin 100.000%
<u>T23S-R13E, WM</u> Sec. 7, Lot 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all)	640.80	OR12012 06/30/93	United States All	Paul F. Scheibe 100.000%
<u>T22S-R14E, WM</u> Sec. 9, all Sec. 21, all Sec. 31, Lot 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all) Sec. 34, all	2,560.86	OR12013 12/31/92	United States All	L. H. Armour, Jr. 100.000%
<u>T21S-R14E, WM</u> Sec. 2, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 14, all Sec. 25, all Sec. 29, all	2,405.98	OR12015 01/31/93	United States All	John S. Runnells 100.000%
<u>T23S-R13E, WM</u> Sec. 13, all Sec. 15, all Sec. 18, Lot 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all) Sec. 28, all	2,561.67	OR12016 01/31/93	United States All	John S. Runnells 100.000%
<u>T21S-R14E, WM</u> Sec. 4, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 16, all Sec. 18, Lot 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all) Sec. 36, all	2,394.30	OR12018 01/31/93	United States All	John S. Runnells 100.000%
<u>T23S-R13E, WM</u> Sec. 6, Lot 1-7, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{2}$, SE $\frac{1}{4}$, (all) Sec. 10, all Sec. 19, Lot 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all) Sec. 34, all	2,537.69	OR12019 12/31/92	United States All	William C. Douglas 100.000%

DESCRIPTION OF LAND	NUMBER- OF ACRES	SERIAL NUMBER AND EXPIRATION DATE OF LEASE	BASIC ROYALTY AND OWNERSHIP PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE AS OF 04/01/85
<u>T23S-R13E, WM</u> Sec. 1, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$, (all) Sec. 4, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$, (all) Sec. 20, all Sec. 22, all	2,540.80	OR12020 12/31/92	United States All	William C. Douglas 100.000%
<u>T23S-R11E, WM</u> Sec. 2, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 11, all Sec. 13, all Sec. 14, all	2,511.94	OR12380 12/31/92	United States All	H. H. S. Phillips 100.000%
<u>T20S-R11E, WM</u> Sec. 1, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$, (all) Sec. 11, all Sec. 14, all	1,920.00	OR12382 01/31/93	United States All	John S. Runnells 100.000%
<u>T22S-R11E, WM</u> Sec. 2, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 11, all Sec. 12, all Sec. 14, all	2,561.84	OR12383 01/31/93	United States All	John S. Runnells 100.000%
<u>T20S-R11E, WM</u> Sec. 2, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$, (all) Sec. 13, all Sec. 15, all Sec. 34, all	2,557.98	OR12386 01/31/93	United States All	Charles N. Huseman 100.000%
<u>T22S-R12E, WM</u> Sec. 17, all Sec. 19, Lot 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$, (all)	1,277.44	OR12387 01/31/93	United States All	Charles N. Huseman 100.000%
<u>T20S-R13E, WM</u> Sec. 2, Lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$, (all) Sec. 5, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ Sec. 15, all Sec. 36, all	2,430.50	OR12388 01/31/93	United States All	Charles N. Huseman 100.000%
<u>T22S-R12E, WM</u> Sec. 5, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 7, Lot 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all) Sec. 8, all	1,913.20	OR12397 12/31/92	United States All	Robert B. Davis 100.000%
<u>T21S-R12E, WM</u> Sec. 30, Lot 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all) Sec. 32, all	1,244.27	OR12399 12/31/92	United States All	Robert B. Davis 100.000%
<u>T20S-R13E, WM</u> Sec. 1, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$, (all) Sec. 3, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$, (all) Sec. 4, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$, (all)	1,904.00	OR12402 12/31/92	United States All	George W. Waters 100.000%

DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER AND EXPIRATION DATE OF LEASE	BASIC ROYALTY AND OWNERSHIP PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE AS OF 04/01/85
<u>T20S-R11E, WM</u> Sec. 23, Lot 1-7, S $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$, (all) Sec. 25, all Sec. 26, Lot 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$, (all) Sec. 36, Lot 1-4, N $\frac{1}{2}$ S $\frac{1}{2}$, N $\frac{1}{2}$, (all)	2,553.47	OR12403 12/31/92	United States All	George W. Waters 100.000%
<u>T23S-R12E, WM</u> Sec. 11, all Sec. 13, all Sec. 14, all	1,920.00	OR12406 12/31/92	United States All	William C. Douglas 100.000%
<u>T22S-R11E, WM</u> Sec. 23, all Sec. 26, all Sec. 36, all	1,920.00	OR12409 12/31/92	United States All	Stewart Capital Corp. 100.000%
<u>T23S-R13E, WM</u> Sec. 2, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$, (all) Sec. 3, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$, (all) Sec. 11, all Sec. 14, all	2,545.23	OR12410 12/31/92	United States All	Rodney W. Markley, Jr. 100.000%
<u>T23S-R14E, WM</u> Sec. 6, Lot 1-7, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$, (all) Sec. 7, Lot 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$, (all) Sec. 17, all Sec. 18, Lot 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$	2,474.94	OR12411 12/31/92	United States All	Rodney W. Markley, Jr. 100.000%
<u>T21S-R14E, WM</u> Sec. 13, all Sec. 23, all Sec. 24, all	1,920.00	OR12412 12/31/92	United States All	Rodney W. Markley, Jr. 100.000%
<u>T23S-R14E, WM</u> Sec. 1, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$, (all) Sec. 3, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$, (all) Sec. 10, all Sec. 12, all	2,570.68	OR12413 06/30/93	United States All	Terra-Therme 100.000%
<u>T21S-R14E, WM</u> Sec. 1, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$, (all) Sec. 3, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$, (all) Sec. 11, all	1,610.94	OR12414 12/31/92	United States All	H. H. S. Phillips 100.000%
<u>T20S-R13E, WM</u> Sec. 10, all Sec. 11, all Sec. 12, all	1,920.00	OR12416 12/31/92	United States All	H. H. S. Phillips 100.000%

DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER AND EXPIRATION DATE OF LEASE	BASIC ROYALTY AND OWNERSHIP PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE AS OF 04/01/85
<u>T21S-R11E, WM</u> Sec. 12, all Sec. 15, all Sec. 24, all Sec. 35, all	2,560.00	OR12417 12/31/92	United States All	H. H. S. Phillips 100.000%
<u>T21S-R11E, WM</u> Sec. 27, all Sec. 34, all Sec. 36, all	1,920.00	OR12419 01/31/93	United States All	Terry Allen Kramer 100.000%
<u>T21S-R14E, WM</u> Sec. 6, Lot 1-7, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ (all) Sec. 8, all Sec. 9, all	1,766.51	OR12420 12/31/92	United States All	Henry Darlington, III 100.000%
<u>T22S-R12E, WM</u> Sec. 20, all Sec. 28, all Sec. 32, all	1,920.00	OR12421 12/31/92	United States All	Elizabeth Darlington 50.000% Victoria Darlington 50.000%
<u>T21S-R14E, WM</u> Sec. 22, all Sec. 26, all Sec. 32, all Sec. 34, all	2,560.00	OR12424 12/31/92	United States All	Robert B. Bunn 100.000%
<u>T22S-R13E, WM</u> Sec. 26, all Sec. 27, all Sec. 34, all Sec. 36, E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$	2,520.00	OR12427 12/31/92	United States All	Frances B. Bunn 100.000%
<u>T23S-R14E, WM</u> Sec. 13, all Sec. 14, all Sec. 16, all	1,920.00	OR12429 12/31/92	United States All	Terra-Therme 100.000%
<u>T20S-R13E, WM</u> Sec. 9, all Sec. 14, all Sec. 26, all Sec. 29, all	2,560.00	OR12431 12/31/92	United States All	Terra-Therme 100.000%
<u>T20S-R11E, WM</u> Sec. 24, Lot 1-7, SW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ (all) Sec. 35, Lot 1-7, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$ (all)	2,574.90	OR12432 04/30/93	United States All	Terra-Therme 100.000%
<u>T20S-R12E, WM</u> Sec. 28, all Sec. 31, Lot 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all)				

DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER AND EXPIRATION DATE OF LEASE	BASIC ROYALTY AND OWNERSHIP PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE AS OF 04/01/85
<u>T22S-R13E, WM</u> Sec. 28, all Sec. 30, Lot 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all) Sec. 32, all	1,917.32	OR12433 12/31/92	United States All	Terra-Therme 100.000%
<u>T21S-R14E, WM</u> Sec. 17, all Sec. 20, all Sec. 21, all	1,920.00	OR12435 01/31/93	United States All	Robert A. Bernhard 100.000%
<u>T20S-R13E, WM</u> Sec. 17, all Sec. 28, all Sec. 30, Lot 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (all)	1,919.24	OR12436 01/31/93	United States All	Robert A. Bernhard 100.000%
<u>T21S-R12E, WM</u> Sec. 16, all Sec. 17, all	1,280.00	OR12437 04/30/93	United States All	Terra-Therme 100.000%
<u>T23S-R13E, WM</u> Sec. 5, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 8, all Sec. 9, all Sec. 17, all	2,544.00	OR12438 01/31/93	United States All	Terra-Therme 100.000%
<u>T21S-R14E, WM</u> Sec. 5, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 10, all Sec. 27, all	1,774.98	OR12439 01/31/93	United States All	Terra-Therme 100.000%
<u>T21S-R11E, WM</u> Sec. 1, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 2, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 10, all Sec. 11, all	2,548.46	OR12441 01/31/93	United States All	Alexander S. Bowers 100.000%
<u>T22S-R12E, WM</u> Sec. 25, all Sec. 35, all	1,280.00	OR12442 01/31/93	United States All	Alexander S. Bowers 100.000%
<u>T20S-R12E, WM</u> Sec. 15, all Sec. 25, all	1,280.00	OR13474 04/30/93	United States All	Terra-Therme 100.000%
<u>T20S-R12E, WM</u> Sec. 2, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 5, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all)	1,304.07	OR13475 06/30/93	United States All	Terra-Therme 100.000%
<u>T22S-R12E, WM</u> Sec. 26, all Sec. 29, all	1,280.00	OR14202 04/30/93	United States All	Albert E. Levy 100.000%

DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER AND EXPIRATION DATE OF LEASE	BASIC ROYALTY AND OWNERSHIP PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE AS OF 04/01/85
T20S-R13E, WM Sec. 22, all Sec. 34, all	1,280.00	OR14320 12/31/92	United States All	Robert B. Davis 100.000%
T23S-R14E, WM Sec. 2, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 23, all Sec. 28, all	1,925.07	OR23848 12/31/92	United States All	Leeanne G. MacColl 100.000%
T20S-R13E, WM Sec. 23, all Sec. 24, all	1,280.00	OR23849 12/31/92	United States All	Newberry Partnership 100.000%
T20S-R12E, WM Sec. 9, all Sec. 11, all	1,280.00	OR23851 01/31/93	United States All	Newberry Partnership 100.000%
T20S-R12E, WM Sec. 3, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 4, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 6, Lot 1-7, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$ (all) Sec. 7, Lot 1-4, E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$ (all)	2,510.08	OR23852 12/31/92	United States All	Newberry Partnership 100.000%
T21S-R11E, WM Sec. 3, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 13, all Sec. 22, all Sec. 25, all	2,549.70	OR23853 01/31/93	United States All	Newberry Partnership 100.000%
T22S-R13E, WM Sec. 33, all	2,560.00	OR23854 01/31/93	United States All	Newberry Partnership 100.000%
T23S-R13E, WM Sec. 12, all Sec. 21, all Sec. 23, all				
T23S-R14E, WM Sec. 19, Lot 1-4, E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$ (all) Sec. 21, all Sec. 24, all	1,900.26	OR23855 01/31/93	United States All	Newberry Partnership 100.000%
T20S-R13E, WM Sec. 6, Lot 1-7, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ (all) Sec. 8, NE $\frac{1}{4}$ (* $\frac{1}{2}$ mineral interest) W $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ Sec. 13, all	1,880.58	OR23856 01/31/93	United States All*	Newberry Partnership 100.000%
T23S-R12E, WM Sec. 12, all Sec. 19, Lot 1-4, E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$ (all) Sec. 21, all	1,919.69	OR23857 12/31/92	United States All	Newberry Partnership 100.000%

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<u>T22S-R14E, WM</u> Sec. 26, all	640.00	OR23858 01/31/93	United States All	Newberry Partnership 100.000%
<u>T20S-R11E, WM</u> Sec. 10, all Sec. 12, all Sec. 27, all	1,920.00	OR23860 12/31/92	United States All	Robert B. Davis 100.000%
<u>T23S-R12E, WM</u> Sec. 4, Lot 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all) Sec. 8, all Sec. 9, all Sec. 18, Lot 1-4, E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$ (all)	2,515.68	OR23952 12/31/92	United States All	Robert B. Davis 100.000%
<u>T22S-R12E, WM</u> Sec. 31, Lot 1-4, E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$ (all) Sec. 33, all Sec. 36, all	1,918.94	OR24262 12/31/92	United States All	Newberry Partnership 100.000%
<u>T23S-R14E, WM</u> Sec. 8, all	640.00	OR25300 12/30/92	United States All	Leeanne G. MacColl 100.000%
<u>T23S-R12E, WM</u> Sec. 15, all Sec. 17, all	1,280.00	OR38419 12/31/92	United States All	Terra-Therme 100.000%

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the _____ day
of February A.D., 19 86 at 9:40 o'clock A M., and duly recorded in Vol. M86
of Mortgages on Page 2029

FEE \$105.00

Evelyn Biehm County Clerk

By Bernetha J. Deloch