

WTC 13916-10262

2010-013392

Klamath County, Oregon



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11/18/2010 11:35:24 AM

Fee: \$62.00

MEMORANDUM OF GEOTHERMAL LEASE AND AGREEMENT

RECORDING REQUESTED BY, AND WHEN RECORDED, RETURN TO:

Optim  
c/o William Honjas  
200 South 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 the date all geothermal rights, legal property descriptions and legal title has been confirmed ("Lease Effective Date"), by and between Michael Hargan, Joanne Hargan hereafter referred to individually or in total as "Lessor", and Optim, a Nevada Corporation ("Lessee").

RECITALS

WHEREAS, Lessor and Lessee have executed that certain Geothermal Lease and Agreement ("Lease") dated the date all geothermal rights, legal property descriptions and legal title has been confirmed ("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 generate electric power and other commercial products and byproducts for use or sale,

Exhibit D  
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AMERITITLE has recorded this instrument by request as an accomodation only, and has not examined it for regularity and sufficiency or as to its effect upon the title to any real property that may be described therein.

WTC

along with a right-of-way to transit upon and across the surface of the Premises and through the strata of the Premises and the right to store equipment and materials, and to construct, use, maintain, operate and remove any and all facilities thereon and therein, all as may be necessary, useful or convenient in connection with and to accomplish the foregoing.

2. Premises. The Premises is described as follows:

Legal Description of Premises, is attached to and made a part of Geothermal Lease and Agreement ("Lease") dated the date all geothermal rights, legal property descriptions and legal title has been confirmed ("Effective Date") 9.22.2009 hereafter referred to individually or in total as "Lessor", and Olene Gap Geothermal, LLC, 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

3. Term. The Lease is for a term ("Initial Term") of ten (10) 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 (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.

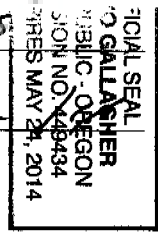
6. Counterparts. This Memorandum of Lease may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall comprise but a single instrument.

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.

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

LESSOR Michael Hargan  
Joanne Hargan  
Signature  
Michael Hargan  
Joanne Hargan  
Name  
Owners  
Title

LESSEE  
J  
Signature  
William Honjas  
Name  
President 10/22  
Title



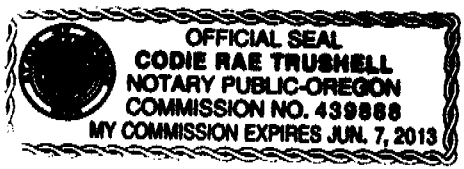
State of Oregon  
County of Klamath  
On Sept 2nd 2009 before me, Codie Rae Trushell, Notary

Public, personally appeared  
Joanne Hargan, Michael Hargan, 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 Codie Rae Trushell



NOTARY ACKNOWLEDGEMENT ATTACHMENT FOR

William Honjas

State of Oregon

County of Klamath

On this 22 day of October, 20 10, personally appeared before me the above named William Honjas, and acknowledged the foregoing instrument to be

his/her/their voluntary act and deed.  
OFFICIAL SEAL  
MARY JO GALLAGHER  
NOTARY PUBLIC FOR OREGON  
COMMISSION NO. 449434  
MY COMMISSION EXPIRES MAY 24, 2014

Mary Jo Gallagher  
Notary Public for Oregon  
My Commission expires: \_\_\_\_\_

STATE OF OREGON  
MARY JO GALLAGHER  
NOTARY PUBLIC  
COMMISSION NO. 449434  
MY COMMISSION EXPIRES MAY 24, 2014

UNOFFICIAL COPY

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

A tract of land situated in the SE1/4 of Section 21, Township 39 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at a point on the South line of said Section 21, South 89° 54' 41" East 1604.50 feet from the South 1/4 corner of said Section 21; thence North 01° 29' 30" East 34.43 feet to the Southeast corner of Deed Volume 353, page 265, as recorded in the Klamath County Deed Records; thence continuing North 01° 29' 30" East 535.28 feet to the Northeast corner of said Deed Volume; thence South 84° 27' 30" West 366.00 feet to the Northwest corner of said Deed Volume; thence North 00° 03' 30" East 1370 feet, more or less, to the Southerly bank of Lost River; thence Easterly along said bank 1280 feet, more or less, to the Westerly boundary of River Ranch Estates, a duly recorded subdivision and the center line of a drain ditch; thence Southerly along said boundary and drain ditch 1830 feet, more or less, to the South line of said Section 21; thence North 89° 54' 41" West 586.55 feet to the point of beginning.

EXCEPTING the Southerly 30.00 feet Deeded to Klamath County by Deed Volume 157 at page 320, as recorded in the Klamath County Deed Records, with bearings based on a solar observation.

TOGETHER WITH a 60 foot easement whose Easterly line is described as follows:

Beginning at a point South 89° 54' 41" East 1254.50 feet and North 00° 03' 30" East 30.00 feet, from the South quarter corner of Section 21, Township 39 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon, said point being on the Northerly right of way line of the County road; thence North 00° 03' 30" East, along the Southerly extension of the Westerly line of that tract of land described in said Deed Volume 353, page 265, and along said Westerly line and its Northerly extension 599.71 feet.