

WTC 1396-10328

2011-000467

Klamath County, Oregon



00095323201100004670050055

01/13/2011 11:23:46 AM

Fee: \$57.00

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
IRVIN AND KAREN PETERSON 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,

© Copyright Optim, Inc., 2008

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.

41 STAN J

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") _____ 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

The E 1/2 of the W 1/2 of the W 1/2 of the W 1/2 of Section 15, Township 39 South, Range 10 East, Willamette Meridian, Klamath County, Oregon, lying North of Highway 140, also known as Klamath Falls - Lakeview Highway.

Tax account 3910-01500-00700

Key 596661

and

Tax account 3910-01500-00700

Key 728662

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 [Signature]
Signature
Karen Petersen

Irvin W. Petersen and
Name Karen Petersen
Owners
Title

LESSEE [Signature]
Signature
William Honjas

President
Name
10/20/09
Title

OFFICIAL SEAL
JO GALLAGHER
PUBLIC - OREGON
COMMISSION NO. 48434
(PIRES MAY 24, 2014)

State of Oregon
County of Klamath
On 9/29/2009 before me, Coraline M. Buffington, Notary

Public, personally appeared Karen Petersen / Irvin W. Petersen, 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 Coraline M. Buffington
my Commission expires: 2/6/2010

OFFICIAL SEAL
CORALINE M. BUFFINGTON
NOTARY PUBLIC-OREGON
COMMISSION NO. 402255
MY COMMISSION EXPIRES FEB. 6, 2010

NOTARY ACKNOWLEDGEMENT ATTACHMENT FOR William Rojas

State of Oregon Klamath
County of Klamath

On this 22 day of October, 20 10, personally appeared before me the above named William Rojas, and acknowledged the foregoing instrument to be his/her/their voluntary act and deed.

OFFICIAL SEAL
MARY S. GALLAGHER
NOTARY PUBLIC - OREGON
COMMISSION NO. 449434
MY COMMISSION EXPIRES MAY 24, 2014

Mary S. Gallagher
Notary Public for Oregon
My Commission expires: 5.24.2014

STATE OF OREGON
MARY S. GALLAGHER
NOTARY PUBLIC
COMMISSION EXPIRES MAY 24, 2014

UNOFFICIAL COPY