MTC 1396-10328

2011-000469Klamath County, Oregon



01/13/2011 11:27:46 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	
(" <u>Memorandum of Lease</u> ") is executed as of the date all geothermal rights, legal prop	
descriptions and legal title has been confirmed ("Lease Effective Date"), by and betw	een
Konneth and Janice Darrow here	after
referred to individually or in total as "Lessor", and Optim, a Nevada Corporation ("Les	<u>see</u> ").

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. <u>Demise</u>. 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 accomposition 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.

46 62AM

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") 16.2.2669 hereafter referred to individually or in total as "Lessor", and Oroganization of the meanings assigned to them in the Lease.

The "<u>Premises</u>" 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. <u>Term.</u> The Lease is for a term ("<u>Initial Term</u>") of ten (10) years beginning on the Lease Effective Date and continues thereafter indefinitely ("<u>Extended Term</u>" and together with the Initial Term, the "<u>Term</u>") 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. <u>Counterparts</u>. 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. <u>Purpose</u>. 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 Kundyy Derron	LESSEE
signature Lochaus	Signature
	william Honjas
Name	Name 1 / 1/23 /
Title	Title Title
State of Oregon County of Klamath On 6 20 00 before me,	Heather Tyleiz 123 Montary Montary
Public, personally appeared Kenneth a Juni Ce Daffon	, who proved to
me on the basis of satisfactory evidence to be the perso	on(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they ex	recuted the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on th	e 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 t	he laws of the State of Oregon that the foregoing
paragraph is true and correct.	
WITNESS my hand and official seal.	
Signature Callin	OFFICIAL SEAL HEATHER TYLER NOTARY PUBLIC-OREGON COMMISSION NO. 417932 MY COMMISSION EXPIRES MAY 31, 2011

NOTARY ACKNOWLEDGEMENT ATTAC	HMENT FOR <u>Ulllearn Kongas</u>
State of Oregon County of Manual County of County of County of County Or State	. />
his/her/their voluntary act and deed.	personally appeared before me the above named, and acknowledged the foregoing instrument to be
OFFICIAL SEAL MARY JO GALLAGHER NOTARY PUBLIC - OREGON COMMISSION NO. 449434 MY COMMISSION EXPIRES MAY 24, 2014	Notary Public for Oregon My Commission expires: 5 24 20/4

EXHIBIT "A" LEGAL DESCRIPTION

PARCEL A:

Parcel 1 of Land Partition 16-05 situated in the NE1/4 of Section 30, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL B:

The following described real property in Klamath County, Oregon:

A tract of land located in the NE1/4 of Section 30, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at an iron pin located West a distance of 30.0 feet and South a distance of 1268.0 feet from the section corner common to Sections 19, 20, 29 and 30, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, said point lying on the West boundary of the county road right of way; thence West a distance of 256.24 feet to an iron pin; thence South a distance of 170.0 feet to an iron pin; thence East a distance of 256.24 feet to an iron pin; thence North along the West boundary of the county road right of way a distance of 170.0 feet, more or less, to the point of beginning.