

NTC1396 - 10774

2012-001594

Klamath County, Oregon



00113931201200015940040043

02/13/2012 03:19:26 PM

Fee: \$52.00

RECORDING COVER SHEET

ORS 205.234

This cover sheet has been prepared by the person presenting the attached instrument for recording. Any error in this cover sheet DOES NOT affect the transaction(s) contained in the instrument itself.

1. AFTER RECORDING RETURN TO -

Required by ORS 205.180(4) & 205.238:

KLAMATH BASIN GEOPOWER
200 SOUTH VIRGINIA STREET Suite 560
RENO, Nevada, 89501

2. TITLE(S) OF THE TRANSACTION(S) - Required by ORS 205.234(1)(a)

Note: "Transaction" means any action required or permitted by law to be recorded, including, but not limited to, any transfer, encumbrance or release affecting title to or an interest in real property. Enter descriptive title for the instrument:

MEMORANDUM OF GEOTHERMAL LEASE AND AGREEMENT

3. DIRECT PARTY / GRANTOR and Address - Required by ORS 234(1)(b)

KLAMATH BASIN GEOPOWER

Grantor's Address: 200 South Virginia Street
Suite 560
RENO, NEVADA
89501

4. INDIRECT PARTY / GRANTEE and Address - Required by ORS 234(1)(b)

BRENT CHEYNE

Grantee's Address:

13411 SPRING LAKE ROAD
KLAMATH FALLS, OREGON
97603

- 5. For an instrument conveying or contracting to convey fee title, the information required by ORS 93.260:**

**UNTIL A CHANGE IS REQUESTED,
ALL TAX STATEMENTS SHALL BE
SENT TO THE FOLLOWING
ADDRESS:**

6. TRUE AND ACTUAL

CONSIDERATION - Required by ORS 93.030 for an instrument conveying or contracting to convey fee title or any memorandum of such instrument:

\$

7. TAX ACCOUNT NUMBER OF THE PROPERTY, IF THE INSTRUMENT CREATES A LIEN OR OTHER INTEREST THAT COULD BE SUBJECT TO TAX FORECLOSURE -

Required by ORS 312.125(4)(b)(B):

527411

EXHIBIT C
MEMORANDUM OF GEOTHERMAL LEASE AND AGREEMENT
RECORDING REQUESTED BY, AND WHEN RECORDED, RETURN TO:

Klamath Basin Geopower
c/o
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") dated the 12 day of JANUARY, 2012 ("Effective Date"), by and between BRENT CHEYNE hereafter referred to individually or in total as "Lessor", and Klamath Basin Geopower, Inc., a Nevada Corporation ("Lessee").

RECITALS

WHEREAS, Lessor and Lessee have executed that certain Geothermal Lease and Agreement ("Lease") dated as of the 12 day of JANUARY, 2012 ("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, along with easements for access 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 (including transmission and generation-tie lines), all as may be necessary, useful, or convenient in connection with and to accomplish the foregoing.

2. Premises. The Premises is described as follows:

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: NE 1/4 SEC 24 T 39 S R 10 E W Meridian

3909-024A0-01700-000 T Lot 1700 Part 1
Sec 11 T 40 S R 09 E WM #4009 01100 00700 000
M 221146

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.

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
Brent Chupne
Signature
Brent Chupne
Name

Title

LESSEE
[Signature]
Signature
William Hoggas
Name
President
Title

State of Oregon
County of Klamath

On December 3rd 2011 before me,

[Signature]

Notary

Public, personally appeared

Brent Chupne

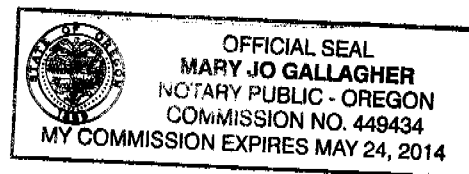
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), 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

[Signature]

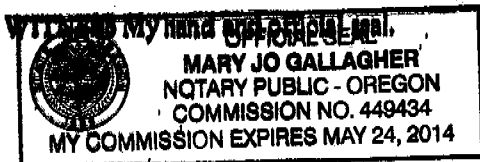


NOTARY ACKNOWLEDGEMENT ATTACHMENT FOR

William Hoggas

State of Oregon
County of Klamath

On this 10 day of January, 20 12 personally appeared before me the above named William Hoggas, and acknowledged the foregoing instrument to be his/her/their voluntary act and deed.



Notary Public for Oregon
My Commission expires

May 24, 2014