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2012-003480

Klamath County, Oregon



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04/03/2012 03:04:52 PM

Fee: \$62.00

**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, NV 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:

**Geothermal Lease and Agreement**

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

**The Estate of Leta May Johnson**

**Grantor's Address:**

**%Cecilia Johnson**

**25633 36<sup>th</sup> Place South**

**Kent, WA 98032**

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

**Klamath Basin Geopower/Optim**

**Grantee's Address:**

**200 South Virginia Street, Suite 560**

**Reno, NV 89501**

- 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):**

62121

## 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 Weta May Johnson ~~and~~ Carlie Johnson and Carroll A Helm ~~and~~ hereafter referred to individually or in total as "Lessor", and Optim Inc., 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,

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 **Optim Inc.** 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:

39s Township 10e Range 31+32 section

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Klamath County, Oregon

See attached ~~title report~~

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, the Lessor and Lessee have caused this Lease to be duly executed as of the date written below:

LESSOR-OPTIM INC.

NAME: Cecilia Johnson

NAME: [Signature]

NAME: Carroll A. Helm

BILL HONJAS  
PRESIDENT- OPTIM, INC.

DATE: 9/26/11

DATE: 8/25/11

State of Oregon  
County of Klamath

On July 26 2011 before me, Mary Jo Gallagher Notary  
Public, personally appeared Cecilia Johnson, 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]

State of Oregon  
County of Klamath

On July 26 2011 before me, Mary Jo Gallagher Notary  
Public, personally appeared Carroll A. Helm, 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]

State of Oregon  
County of Klamath

On August 25 2011 before me, Mary Jo Gallagher Notary  
Public, personally appeared William Honjas, 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]



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



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### LEGAL DESCRIPTION

The NW1/4 of SE1/4 and Lot 8 in Section 31, Township 39 South, Range 39 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon,

That portion of Lot 7 and the NW1/4 of SE1/4 lying within the following boundaries, to-wit: Beginning at the Northeast corner of the SW1/4 of SE1/4; thence West on subdivision line to the meander line of the East side of Lost River; thence following said meander line downstream to a point 7 chains 68 links North of the South section line; thence Northeasterly on a straight line to a point 4.40 chains South of the place of beginning; thence North 4.40 chains to the place of beginning, all in Section 31, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

The NE1/4 SE1/4 of Section 31, ALSO beginning at the Northeast corner of the SE1/4 SE1/4 of said Section 31; thence West 20 chains to stone; thence South 4 chains and 40 links to stone; thence Northeasterly to the place of beginning in Township 39 South, Range 10 East of the Willamette Meridian, ALSO that part of the NW1/4 SW1/4 of Section 32, Township 39 South, Range 10 East of the Willamette Meridian lying West of the Hill Road.

EXCEPTING THEREFROM that part conveyed to the United States of America in Deed Book 45, page 171, Deed Records of Klamath County, Oregon.

EXCEPTING THEREFROM parts conveyed to Great Northern Railway Company be Deed Book 95, page 565, Deed Records of Klamath County, Oregon.