

MT C1394-10887

2012-008370

Klamath County, Oregon



00122003201200083700090099

07/31/2012 02:58:40 PM

Fee: \$77.00

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 INC
200 S. 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:

MEMORANDUM OF GEOTHERMAL LEASE
AND AGREEMENT

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

LOST RIVER LAND & CATTLE CO, LLC
14905 S. DOE VALLEY ROAD
KLAMATH FALLS, OR 97603

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

KLAMATH BASIN GEOPOWER INC
200 S. 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:**

NC

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):

3910-01400-00903

3910-01300-00502

3910-01300-00501

Oregon Standard Recording Cover Sheet (Rev. Nov 2011)

AMERITITLE, has recorded this
instrument by request as an accommodation 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.

TT. Oymat

EXHIBIT D

MEMORANDUM OF GEOTHERMAL LEASE AND AGREEMENT

RECORDING REQUESTED BY, AND
WHEN RECORDED, RETURN TO:

Bill Honjas
Optim
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 ("Lease Effective Date"), by and between
Mokum Investments, 534 Humboldt St Reno, NV 89509, all 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 ("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

of water, waste water, gases and other residual products, together with a right of way to enter upon, transit across the surface of the Premises and through the strata of the Premises, for Lessee and all of the Lessee Representatives, and any machinery, equipment, materials and supplies for purposes of engaging in the foregoing. Lessor hereby reserves to itself: (a) all rights to graze livestock, hunt, fish, and otherwise access and freely use the surface of the Premises consistent with Lessor's typical ranching and farming activities, so long as such uses do not interfere with Lessee's activities or constitute trespass with respect to Lessee's equipment or facilities constructed thereon; (b) all rights to extract minerals, hydrocarbons, and helium; (c) the right to grant successive easements on or across the Premises on such terms and conditions as the Lessor deems necessary or advisable so long as such uses do not interfere with Lessee's activities or constitute trespass with respect to Lessee's equipment or facilities constructed thereon; and (d) all Direct-Use Applications of the Leased Substances, subject to the conditions set forth in Exhibit B. Lessor's land may not be used in connection with operations on other lands which are not described herein without the Lessor's written consent and reasonable compensation; Lessor will not unreasonably deny consent.

2. Term. Subject to the other provisions herein contained, this Lease shall be for a term of twenty (20) years from the Effective Date ("Initial Term") and shall continue for as long thereafter as: (a) Leased Substances are being produced from the Premises by use of facilities located on the Premises or on Other Property by Lessee in Commercial Quantities; or (b) drilling, re-drilling, deepening, sidetracking or remedial operations are being prosecuted on a continuous basis on the Premises or on Other Property if such activities are concentrated upon the same reservoir underlying the Leased Premises and Other Property ("Extended Term" and together with the Initial Term, the "Term"); provided, however, that if within seven (7) years after the Initial year hereof, as defined in Exhibit B.A.3 herein, and subject to Item 19 herein, Lessee is not producing Leased Substances in Commercial Quantities, Lessor, at its option, may consider Lessee in default hereunder. For the purpose of this Section 2, producing, drilling, re-drilling, deepening, sidetracking or remedial operations shall be deemed continuous so long as all such operations do not cease for more than one hundred eighty (180) consecutive days, whether such operations be on the same well or on a different or additional well or wells. Notwithstanding the foregoing, this Lease shall become irrevocable in the event that Lessee develops, installs, constructs, operates and maintains according to reasonable technical and commercial standards, a power generation facility of any kind on the surface of the Premises unless Lessor has the right to terminate this Lease pursuant to its terms. The Parties agree to renegotiate the Royalty payments to reflect the then current market conditions at the end of the power purchase agreement term or after 25 years of commercial operation, whichever comes last, provided however that the Royalty rates will in no case be reduced.

3. Production Royalty. Lessee shall pay to Lessor as a royalty, the following amounts (collectively, the "Production Royalty"):

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

LESSOR

Signature

Name

Title

LESSEE

Signature

Name

Title

State of Nevada

County of Washoe

On October 2, 2009 before me, Karen L. Johnson, Notary

Public, personally appeared

William Honjas and Jeff Kos, 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



(Seal)

Exhibit "A"

Real property in the County of Klamath, State of Oregon, described as follows:

Parcel 1:

Parcel 1 of Land Partition 29-02, being a replat of Parcel 1 of Minor Land Partition 47-91, situated in Sections 13 and 14, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

Excepting therefrom the Westerly 511 feet of Parcel 1 of Land Partition 29-02, situated in Government Lot 9 of Section 14, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

Tax Parcel Number: R882713 and R882619 and R872760

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT is made this 20th day of April, 2010 between MOKUM INVESTMENTS LC., a Nevada limited liability company ("Mokum"); and LOST RIVER LAND & CATTLE COMPANY, LLC, a Nevada limited liability company ("Lost River").

RECITALS

A. On September 18, 2009 Mokum entered into a "Secured Debt Obligation" with Optim Inc., a Nevada corporation ("Optim"). Optim loaned the amount of _____ to Mokum to purchase a property generally described as "14905 South Poe Valley Road, Klamath Falls, Oregon 97603" (the "South Poe Property"). In return for this loan, Mokum agreed to pay _____ to Optim on or before September 18, 2013. Mokum's obligation to pay Optim was secured by a UCC-1 Filing Statement with respect to the South Poe Property.

B. On December 2, 2009 Mokum entered into a "Secured Debt Obligation" with Optim Seismic Data Solutions, Inc., a Nevada corporation ("Optim SDS"). Optim SDS loaned the amount of _____ to Mokum to purchase a property described generally as "Westerly 511 feet of Parcel 1 of Land Partition 29-02, situated in Government Lot 9 of Section 14, T. 39 S., R.

10 E., Willamette Meridian, Klamath County, Oregon" (the "29-02 Property"). In return for this loan, Mokum agreed to pay . to Optim SDS on or before December 2, 2013. Mokum's obligation to pay Optim SDS was secured by a UCC Financing Statement with respect to the 29-02 Property.

C. Mokum wishes to assign the payment obligations and property interests described in Recitals A and B above to Lost River (the "Payment Obligations"), and Lost River agrees to assume and discharge these Payment Obligations.

THEREFORE, the parties have agreed as follows:

1. Assignment and Assumption of Obligations. Mokum hereby assigns to Lost River the Payment Obligations, and Lost River agrees to assume and discharge the Payment Obligations in full.

2. Transfer of Properties. Mokum agrees to execute two Quitclaim Deeds conveying the South Poe Property and 29-02 Property to Lost River. Lost River will assume all costs of recording these documents in Klamath County, Oregon. Lost River will also file appropriate documents terminating the UCC-1 Financing Statements.

3. Transfer of Obligations. Following execution of this Agreement and delivery of the Deeds to Lost River, Mokum will be relieved of the Payment Obligations and any other obligations relating to the Oregon properties.

4. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto, their respective heirs, executors, administrators, successors, and assigns.

5. Applicable Law. The terms and provisions of this Agreement shall be interpreted in accordance with the laws of the State of Nevada.

IN WITNESS WHEREOF, the parties have executed this Assignment of Obligation on the day and year first above written.

MOKUM INVESTMENTS LC., a Nevada
limited liability company


By

JEFF KOS, Manager

LOST RIVER LAND & CATTLE
COMPANY, a Nevada limited liability
company

By

WILLIAM HONJAS, Managing
Member

By 
SATISH PULLAMMANAPPALLIL,
Managing Member

ptim/7182

(w) Assignment & Assumption Agreement (Mokum & Lost River) (4-10)