

mtc 97792-125

After recording return to:
Northwest Farm Credit Services, FLCA
300 Klamath Avenue, Suite 200
Klamath Falls, OR 97601-6308

2013-006383

Klamath County, Oregon

06/06/2013 03:52:41 PM

Fee: \$52.00

Customer/Note No. 041375-441-999-99

SUBORDINATION AGREEMENT

PARTIES AND INTERESTS.

Subordinator: Optim, Inc., a Corporation, and its affiliate Klamath Basin Geopower, Inc., a Corporation
C/O William Honjas
200 South Virginia Street, Suite 560
Reno, NV 89501

Subordinator's Interest: Geothermal Lease and Agreement effective September 9, 2009, acknowledged October 22, 2010, recorded January 13, 2011 as Instrument No. 2011-000474, records of Klamath County, Oregon covering the following described property:

Parcel 3, Land Partition 19-03, situated in the W1/2 of Section 17, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

Subordinatee: Northwest Farm Credit Services, FLCA
300 Klamath Avenue, Suite 200
Klamath Falls, OR 97601-6308

Subordinatee's Interest: Deed of Trust dated June 4, 2013, recorded _____, as Instrument No. _____, records of Klamath County, Oregon.

Subordinatee's Note: Note, executed by Borrower or Borrower's successor, dated June 4, 2013, and any amendments thereto, secured by Subordinatee's Interest.

Borrower(s): Kenneth M. Schell and Sylvia D. Schell

AGREEMENT.

The property described in the above-referenced instruments creating Subordinatee's Interest is referred to as the "Property."

Subordination Agreement (041375-441-999-99)

47AMT

For good and valuable consideration, Subordinator subordinates its interest in the Property to Subordinatee's Interest and all advances or charges, if any, made or accruing under Subordinatee's Note. This Subordination also includes any extension, refinancing, reindexing, renewal, or renegotiation of Subordinatee's Note.

Subordinator acknowledges the opportunity to examine the terms of the documents pertaining to Subordinatee's Interest.

The heirs, personal representatives, successors and assigns of Subordinator shall be bound by this Subordination. This Subordination shall inure to the benefit of Subordinatee and its personal representatives, successors and assigns.

Dated: June 5, 2013

Optim, Inc., a Corporation

By: _____

William Honjas

Title: _____

[Signature]
President

Klamath Basin Geopower, Inc., a Corporation

By: _____

William Honjas

Title: _____

[Signature]
President

STATE OF Nevada)
County of Washoe)ss.

On this 5 day of June, 2013, before me personally appeared William Honjas, known to me to be the President of Optim, Inc., the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same as its free act and deed; and on oath stated that he/she was authorized to execute said instrument.



S.K. ROWE
NOTARY PUBLIC
STATE OF NEVADA
My Commission Expires: 6-20-2016
Certificate No: 12-6103-2

[Signature]
Printed Name S.K. Rowe
Notary Public for the State of Nevada
Residing at 200 So. Virginia St. Suite 560
My commission expires 6-20-2016

STATE OF Nevada)
County of Washoe)ss.

On this 5 day of June, 2013, before me personally appeared William Honjas, known to me to be the President of Klamath Basin Geopower, Inc., the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same as its free act and deed; and on oath stated that he/she was authorized to execute said instrument.



NOTARY PUBLIC
STATE OF NEVADA
My Commission Expires: 6-30-2016
Certificate No: 12-0103-2

S.K. Rowe

Printed Name S.K. Rowe
Notary Public for the State of Nevada
Residing at 200 S. Virginia St Suite 500
My commission expires 6-20-2016