



2013-013327

Klamath County, Oregon



00145769201300133270080089

12/03/2013 12:16:15 PM

Fee: \$72.00

**RECORDING COVER SHEET (Please Print or Type)**

This cover sheet was prepared by the person presenting the instrument for recording. The information on this sheet is a reflection of the attached instrument and was added for the purpose of meeting first page recording requirements in the State of Oregon, ORS 205.234, and does NOT affect the instrument.

**AFTER RECORDING RETURN TO:**

Klamath Basin Geopower

200 South Virginia Street, Suite 500

Reno, NV 89501

THIS SPACE RESERVED FOR USE BY  
THE COUNTY RECORDING OFFICE

**1) TITLE(S) OF THE TRANSACTION(S) ORS 205.234(a)**

Memorandum of Geothermal Lease and Agreement

**2) DIRECT PARTY / GRANTOR(S) ORS 205.125(1)(b) and 205.160**

Kevin and Carol Westfall

**3) INDIRECT PARTY / GRANTEE(S) ORS 205.125(1)(a) and 205.160**

Optim

**4) TRUE AND ACTUAL CONSIDERATION**

ORS 93.030(5) – Amount in dollars or other

\$ \_\_\_\_\_ ☒ Other**5) SEND TAX STATEMENTS TO:**

NA

**6) SATISFACTION of ORDER or WARRANT**

ORS 205.125(1)(e)

CHECK ONE: ☐ FULL  
(If applicable) ☐ PARTIAL**7) The amount of the monetary obligation imposed by the order or warrant. ORS 205.125(1)(c)**

\$ \_\_\_\_\_

**8) If this instrument is being Re-Recorded, complete the following statement, in****accordance with ORS 205.244: "RERECORDED AT THE REQUEST OF \_\_\_\_\_****TO CORRECT THE LEGAL****DESCRIPTION AS****PREVIOUSLY RECORDED IN BOOK 2011 AND PAGE 006260, OR AS FEE NUMBER \_\_\_\_\_."**

72.00

2011-006260

Klamath County, Oregon

00102127201100062600070074

05/18/2011 11:22:31 AM

Fee: \$67.00

WCL1396-10510

## 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  
Kevin and Carol Westfall 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,

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.

WTH

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") October 11, 2010 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:

\_\_\_\_\_ Township \_\_\_\_\_ Range \_\_\_\_\_ section

---

Klamath County, Oregon

See attached 

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

LESSOR  
Carol F Westfall  
Signature  
Carol F Westfall  
Name  
Landowner  
Title

LESSEE  
[Signature]  
Signature  
William Hongas  
Name  
President  
Title

State of Oregon  
County of Klamath

On October 2, 2010 before me, Mary Jo Gallagher, Notary

Public, personally appeared

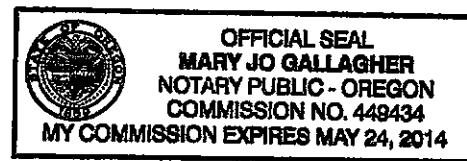
Carol F Westfall

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.

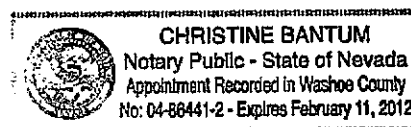
Signature Mary Jo Gallagher



State of Nevada  
County of Washoe

This instrument was acknowledged before me on 2-4-2011

by William Hongas  
Christine Bantum  
(Signature of notarial officer)



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

LESSOR

Kevin C. Westfall  
Signature

KEVIN C. WESTFALL  
Name

landowner  
Title

LESSEE

[Signature]  
Signature

William Hongs  
Name

president  
Title

State of Oregon

County of Klamath

On Oct 2, 2010 before me, MARY JO GALLAGHER, Notary

Public, personally appeared,

Kevin C. Westfall

, 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.

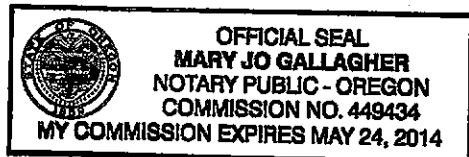
WITNESS my hand and official seal.

Signature [Signature]

State of Nevada  
County of Washoe

This instrument was acknowledged before me on 2-4-2011  
by William Hongs

[Signature]  
(Signature of notarial officer)



**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**PARCEL 1**

A tract of land situated in the E1/2 of Section 25, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at the C-N1/16 corner of said Section 25; thence East, along the North line of the S1/2 NE1/4 of said Section 25, 370 feet, more or less, to the Southwesterly right of way line of the Burlington Northern Railroad; thence Southeasterly, along the said Southwesterly right of way line, 1940 feet, more or less; thence West, along the said right of way line, 110 feet, more or less; thence Southeasterly, along said right of way line, 200 feet, more or less, to the West right of way line of the USBR A-7 Lateral; thence Southerly, along the said West right of way line, 1030 feet, more or less, to the North line of that tract of land described in Deed Volume M03, page 05798, Microfilm Records of Klamath County, Oregon; thence along the boundary of said Deed Volume, North 52° 23' West 220 feet, more or less, and South 29° 25' West, 39.3 feet, more or less, to a point on the North right of way line of the U.S.B.R. No. 1 Drain; thence Westerly along the said North right of way line, 1840 feet, more or less, to the North-South center section line of said Section 25; thence North 2800 feet, more or less, to the point of beginning.

SAVING AND EXCEPTING any portion lying within the right of way of Henley Road.

**PARCEL 2**

The N1/2 SW1/4 of Section 25, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon. SAVING AND EXCEPTING any portion lying within the USBR No. 1 Irrigation Drain.

**PARCEL 3**

**A**

A tract of land in Government Lot 1 of Section 5, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, described as follows:

Commencing at the Northwest corner of said Section 5; thence East 1908.8 feet, along the North line of said section, to an intersection with the centerline of the Riverside Spur Tract of the Great Northern Railway Company; thence South 21° 35' East, along said centerline 657.83 feet; thence South 68° 25' West 22.5 feet to the Northeast corner of a tract of land conveyed by to the Natural Gas Corporation of Oregon by deed recorded October 27, 1930 in Volume 93, page 171, Deed Records of Klamath County, Oregon; thence South 68° 25' West 68.19 feet; thence North 14° 00' West 103 feet to the True Point of Beginning of the tract to be herein described; thence South 87° 00' West, along the Southerly boundary of a tract formerly owned by said Railway Company 231.0 feet to a point on the Easterly boundary of the right of way of the Klamath Falls-Ashland Highway;

Continued

(Parcel 3 A Continued)

thence North 23° 50' West along the said highway right of way line, 105.8 feet to the centerline of a certain roadway easement 24 feet in width as reserved in a deed recorded August 17, 1955 in Deed Volume 276, page 484, Deed Records of Klamath County, Oregon; thence North 81° 40' East, along said centerline 113.5 feet; thence Southeasterly on said centerline, along a 32° curve to the right, through an angle of 67° 24' for a distance of 210.6 feet; thence Southeasterly on said centerline and tangent to said curve to a point in the Southerly boundary of said tract formerly owned by said Railroad Company from which the true point of beginning herein bears South 87° 00' West; thence South 87° 00' West 28.6 feet to the true point of beginning.

EXCEPT from the foregoing described tract that part lying Northerly and Northeasterly of a line drawn parallel with and 12 feet Southerly from (when measured at right angles to) the Northerly and Northeasterly line of said herein described tract.

**B**

All that portion of Lot 1, Section 5, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, described as follows:

Beginning at a point in the East line of the county road leading from Klamath Falls to Keno, which point is South 7° 3' East 92.2 feet; South 14° 30' East 312.55 feet, South 23° 50' East 179.6 feet along the East line of said county road from the intersection thereof with the North line of said Lot 1, Section 5; thence from said point of beginning North 87° East 231.0 feet along the Southerly boundary of the C.R. DeLap Tract; thence South 14° East 163.0 feet; thence South 62° 23' West 77.0 feet; thence South 83° 52' West 101.8 feet, more or less to the East line of the State Highway, thence along said East line of the State Highway North 32° 25' West 160.0 feet to the point of beginning.

**C**

An irregular tract of land situated in Lot 1, Section 5, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point of intersection of the North line of Lot 1, Section 5 and the E line of the county road leading from Klamath Falls to Keno; thence South 7° 3' East, 92.2 feet; thence South 14° 30' East, 312.55 feet; thence South 23° 50' East, 179.6 feet; thence North 87° 00' East, 231.0 feet along the Southerly boundary of the C.R. DeLap tract to the True Point of Beginning for this description; thence continuing North 87° 00' East, 15.41 feet to a point on the West line of a 24 foot road right of way; thence South 30° 56' East along said West line of said road right of way, 98.62 feet; thence South 68° 25' West, 43.87 feet; thence North 14° 00' West, 103.00 feet to the true point of beginning.