



2013-013328

Klamath County, Oregon



00145770201300133280080084

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**

Lynda Baker

**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 000473, OR AS FEE NUMBER \_\_\_\_\_."

72.00 amt.

UTC 1396-10328

2011-000473

Klamath County, Oregon

00095329201100004730060064

01/13/2011 11:30:48 AM

Fee: \$62.00

## 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  
Lynda Baker hereafter  
referred to individually or in total as "Lessor", and Optim, 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,

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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.

46/02AMJ

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") 7/29/09 hereafter referred to individually or in total as "Lessor", and ~~Optim Geothermal, LLC~~ <sup>Optim</sup> 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:

Klamath County, Oregon

See Attached  
Exhibit "A"

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  
Signature Lynda Baker  
Name Lynda Baker  
Title owner

LESSEE  
Signature William Hojas  
Name William Hojas  
Title President 10/22/10

State of Oregon  
County of Klamath

On Sept. 29, 2009 before me, Kay McCarty

Public, personally appeared

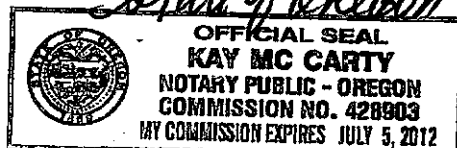
Lynda Baker, who proved to

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.

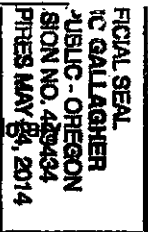
I certify under PENALTY OF PERJURY under the laws of the State of Oregon that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Kay McCarty  
State of Oregon



County of Klamath



NOTARY ACKNOWLEDGEMENT ATTACHMENT FOR

William Hymas

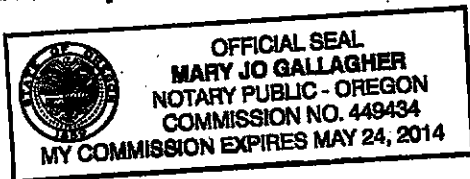
State of Oregon

County of

Klamath

On this 22 day of October, 2010, personally appeared before me the above named  
William Hymas, and acknowledged the foregoing instrument to be  
his/her/their voluntary act and deed.

WITNESS My hand and official seal.



Mary Jo Gallagher  
Notary Public for Oregon  
My Commission expires: 5-24-2014



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

**PARCEL 1:**

All those portions of SE1/4 NW1/4 and N1/2 SW1/4 in Section 30, Township 39 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon, lying Southeasterly of the U.S.R.S. "C" Canal and Southwesterly of the U.S.R.S. "C-G" Cutoff Channel.

**PARCEL 2:**

All of SE1/4 of Section 30, Township 39 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon, lying Southwesterly of the U.S.R.S. "C-G" Cutoff Channel and North of the Northerly right of way boundary of the Lost River Diversion Canal as presently enlarged.

**PARCEL 3:**

All of S1/2 SW1/4 lying Easterly of the Great Northern Railroad right of way and North of the Northerly right of way boundary of the Lost River Diversion Canal as presently enlarged, in Section 30, Township 39 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

See Corrected  
Exhibit "A"

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**PARCEL 4:**

That portion of the following described parcel of land lying Easterly of the No. 1 Drain in Section 31, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon:

All of Government Lots 2, 3, 4 and Government Lot 10 lying North of the Lost River and the W 1/2 of the NW 1/4 of Section 31, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon not already conveyed to the United States for canals and drains and which is situated North of a line beginning at a point on the center line of the County Road, and North 428.9 feet of the quarter corner on the West side of said Section 31, and running thence North 89 degrees 45' East 1660 feet to the West edge of the U.S.R.S. Drain Ditch; thence South 300 feet; thence North 89 degrees 45' East 760 feet, more or less, to the meander line of Lost River.

ALSO that portion of the NW corner of Government Lot 9 of Section 31, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, which adjoins Government Lot 10 on the West side of the river.

EXCEPTING THEREFROM any portion lying within the right of way of the Great Northern Railway Company.