



2013-013329

Klamath County, Oregon



00145771201300133290070074

12/03/2013 12:17:16 PM

Fee: \$67.00

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

Russell and Edith Walsh, Trustees of the Walsh Family Trust

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 000855, OR AS FEE NUMBER _____."

67.000000

NTC1396-10344

2011-000855

Klamath County, Oregon

00095802201100008550050051

01/24/2011 03:26:52 PM

Fee: \$67.00

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 Walsh Family Trust Russell & Edith Walsh Trustees 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.

57AmJ

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") 1/18/2011 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 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.

X NAME: Russell J. Walsh

NAME: BILL HONJAS
PRESIDENT- OPTIM, INC.

X NAME: Edith G. Walsh

DATE: 1/7/11

DATE: 1/21/11

State of Oregon
County of Klamath

On January 7, 2011 before me, Mary Jo Gallagher, Notary
Public, personally appeared Russell J. Walsh, 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 Oregon
County of Klamath

On January 7, 2011 before me, MARY JO GALLAGHER, Notary
Public, personally appeared Edith G. Walsh, 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 Oregon
County of Klamath

On January 11, 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 Mary Jo Gallagher

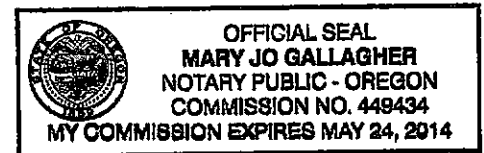
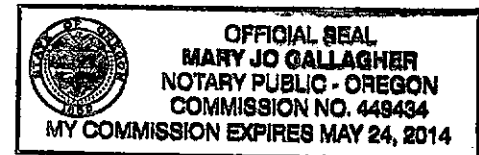
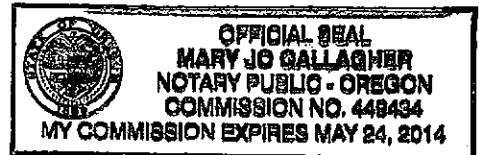


EXHIBIT "A"
LEGAL DESCRIPTION

Parcel 1:

The S1/2 of the NW1/4 of Section 25, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon

Parcel 2:

The SE1/4 of the NE1/4 of Section 26, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

EXCEPTING THEREFROM that portion conveyed to United States of America by Deed recorded in Deed Volume 45 at page 24.

ALSO EXCEPTING THEREFROM the following described tract of land:

Beginning at a spike in the County Road on the East quarter corner of said Section 26; thence North $0^{\circ}16'$ East along the East line of said Section 26 a distance of 292.0 feet; thence West parallel with the East-West centerline of said Section 26 a distance of 30.0 feet to an iron pin on the West boundary of the County Road; thence North a distance of 25 feet; thence West a distance of 632.35 feet to an iron pin on the East bank of Klamath Irrigation Drainage Ditch Drain 1-C; thence South $0^{\circ}55'$ East along the East bank of said drain a distance of 292.1 feet to an iron pin on the East-West centerline of said Section 26; thence East along the centerline a distance of 626.85 feet to an iron pin on the West boundary of the County Road; thence continuing East a distance of 30.0 feet, more or less, to the point of beginning.

See Attached Correction

EXHIBIT "A"
LEGAL DESCRIPTION

Parcel 1:

The S1/2 of the NW1/4 of Section 25, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon

Parcel 2:

The SE1/4 of the NE1/4 of Section 26, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

EXCEPTING THEREFROM that portion conveyed to United States of America by Deed recorded in Deed Volume 45 at page 24.

ALSO EXCEPTING THEREFROM the following described tract of land:

Beginning at a spike in the County Road on the East quarter corner of said Section 26; thence North 0°16' East along the East line of said Section 26 a distance of 292.0 feet; thence West parallel with the East-West centerline of said Section 26 a distance of 30.0 feet to an iron pin on the West boundary of the County Road; thence North a distance of 25 feet; thence West a distance of 632.35 feet to an iron pin on the East bank of Klamath Irrigation Drainage Ditch Drain 1-C; thence South 0°55' East along the East bank of said drain a distance of 292.1 feet to an iron pin on the East-West centerline of said Section 26; thence East along the centerline a distance of 626.85 feet to an iron pin on the West boundary of the County Road; thence continuing East a distance of 30.0 feet, more or less, to the point of beginning.

Parcel 3:

A Tract of land situated in the SW1/4NE1/4 of Section 26, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being a portion of the tract of land described in recorded Contract, Deed Volume M76 at page 13093 of Klamath County Deed Records, being more particularly described as follows:

Beginning at a 5/8 inch iron pin with plastic cap on the East line of said SW1/4NE1/4, and being South 45° 10' 13" West 1885.21 feet and South 00° 03' 51" West 750 feet from the Northeast corner of said Section 26; thence South 00° 03' 51" West 576.28 feet to the Southeast corner of said SW1/4NE1/4; thence South 89° 59' 39" West along the south line of said SW1/4 NE1/4 , 778.77 feet to the southeast corner of that tract of land described in Deed Volume 272 at page 310 of said Klamath County deed Records; thence North 21° 54' 13" West (North 21° 30' 15" West by said Deed Volume 272 at page 310), along the easterly line of said Deed Volume 272, page 310, 620.59 feet to a 5/8 inch iron pin with plastic cap, said iron pin being South 00° 03' 51" West 750.00 feet from the North line of said SW1/4NE1/4; thence North 89° 59' 04" East 1010.93 feet to the point of beginning.