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Law Offices of Robert J. Rauch
1159 Chuckanut Ridge Drive
Bow, Washington 98232

MEMORANDUM OF GEOTHERMAL RESOURCES LEASE AGREEMENT

THIS MEMORANDUM OF GEOTHERMAL RESOURCES LEASE AGREEMENT ("Memorandum") is made and entered into this 3rd day of October, 2018, by and between Liskey Farms, Inc., an Oregon corporation, with its principal offices located at 4650 Lower Klamath Lake Road, Klamath Falls, Oregon (hereinafter referred to as "Lessor") and Klamath Hills Geothermal, LLC, an Oregon limited liability company, with its principal offices located at 1059 Wilhaggin Park Lane, Sacramento, CA. 95864 (hereinafter referred to as "KHG" or "Lessee"). Lessor and KHG are sometimes hereinafter collectively referred to as the "Parties," and individually as a "Party."

RECITALS

WHEREAS, the Parties executed that certain Geothermal Resources Lease Agreement on October 3, 2018 ("Lease") and wish to set out and record a short Memorandum of Lease summarizing the key terms of the Lease in order to provide record notice of its existence to third parties;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are acknowledged by both Parties, the Parties agree as follows:

1. INTEREST GRANTED.

In consideration of the covenants and agreements contained herein, Lessor hereby grants and leases to KHG the exclusive right and privilege to drill for, extract, produce, remove, utilize, sell, and dispose of all forms of thermal energy and other associated geothermal resources located on the Premises described in Exhibit A hereto. A more detailed description of the foregoing rights is contained in the Lease, and this Memorandum in no way limits or restricts the rights of KHG under the Lease.

2. TERM:

(a) Initial Term, As Extended. This Lease, subject to certain early termination rights set out in the Lease, shall have an initial term of TWENTY (20) years from the execution date first set forth above (the "Initial Term"), and shall continue for so long thereafter as:

(i) KHG is extracting or drilling for Geothermal Resources on the Premises (or lands pooled or unitized with the Premises), working with reasonable diligence, allowing not more than TWENTY-FOUR (24) months between the completion or abandonment of one site/well and the exploration and/or commencement of operations for the next; or

(ii) Geothermal Resources are being produced or generated from the Premises (or from lands pooled or unitized with the Premises) in commercial quantities or steps are being taken to develop the Premises in such a way as to produce or generate from the Premises commercial quantities of Geothermal Resources; or

(iii) Remedial Operations are being continuously conducted on the Premises (or lands pooled or unitized with the Premises); or

(iv) Drilling operations, commercial production of Geothermal Resources, or Remedial Operations have been suspended or excused under the Force Majeure or other provisions of this Lease; or

(v) this Lease is otherwise extended by its terms.

3. RENTALS AND ROYALTIES:

The Lease provides for an initial payment to Lessor and for the payment of production royalties by Lessee to Lessor, as further described in the Lease.

4. TAXES AND ASSESSMENTS:

The Lease allocates certain taxes and assessment between the Parties, as further detailed in the Lease.

5. PROTECTION OF SURFACE; LAWS; LIENS; EQUIPMENT

The Lease provides certain protections for Lessor's surface uses of the Premises, as further described in the Lease. It also requires compliance with all applicable laws, and requires Lessee to keep the Premises free of liens. Lessee also has certain indemnification obligations to Lessor.

6. COMMINGLING, POOLING, AND UNITIZATION:

Lessee has certain rights to commingle production from the Premises with geothermal production from other potential lessors and to pool and unitize production from several lessors, including that of Lessor, as further detailed in the Lease.

7. RESERVATIONS TO LESSOR:

Certain rights to use the surface of the Premises are reserved to Lessor, and Lessor has agreed to indemnify Lessee from certain claims potentially arising from Lessor's operations, all as more fully detailed in the Lease.

8. DEFAULT AND TERMINATION; SURRENDER:

The Lease contains standard default and termination provisions covering both Lessor and Lessee, as further detailed in the Lease. It also contains certain rights of Lessee to surrender the Lease, in the exercise of its sole discretion.

9. FORCE MAJEURE.

The Lease contains standard force majeure provisions that enable Lessee to suspend the performance of certain of its obligations pending resolution of the force majeure event.

10. CONDEMNATION

The Lease contains provisions governing the allocation of condemnation proceeds in the event that the Premises is condemned. These provisions cover both a full and partial condemnation of the Premises.

11. REMOVAL OF KHG'S PROPERTY.

KHG has certain rights to remove property and equipment it has placed on the Premises under the Lease, both during the term of the Lease, and upon termination of the Lease.

12. ASSIGNMENT.

Lessee has certain rights to assign the Lease both as collateral for project financing, and to third parties, as detailed more fully in the Lease.

13. REPRESENTATIONS, WARRANTIES AND COVENANTS OF LESSOR.

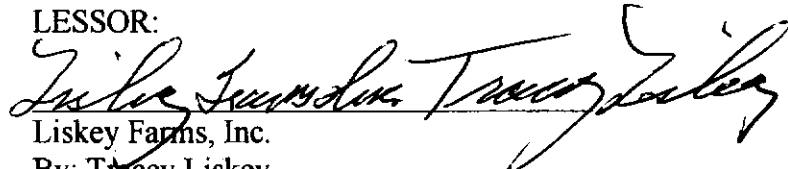
The Lease contains certain representations, warranties, and covenants of the Lessor with respect to Lessor's good title to the Premises, etc., all as more fully detailed in the Lease.

14. GENERAL PROVISIONS.

The Lease contains a number of standard, general provisions covering notices by the Parties, severability of certain provisions, binding effect, right of Lessor to record a memorandum of lease, etc.

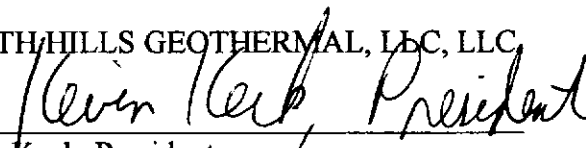
IN WITNESS WHEREOF the Parties hereto have executed this Memorandum of Lease as of the date hereinabove first written.

LESSOR:


Liskey Farms, Inc.
By: Tracey Liskey
Its: President

LESSEE

KLAMATH HILLS GEOTHERMAL, LLC, LLC

By: 
Kevin Keck, President

STATE OF OREGON

COUNTY OF KLAMATH

On this 3rd day of October, 2018, personally appeared before me Tracey Liskey, who being by me duly sworn did say that he is the President of Tracey Farms, Inc., an Oregon domestic business corporation, and that the foregoing instrument was signed on behalf of said corporation by authority of its Bylaws, or by resolution of its Board of Directors, and said Tracey Liskey acknowledged to me that said corporation executed the same.


NOTARY PUBLIC

Residing At: Menlo, OR 97633

My Commission expires:

June, 02, 2020



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

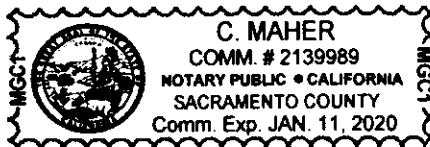
State of California)
County of Sacramento)

On Oct. 11, 2018 before me, C. Maher, Notary Public,
Date Here Insert Name and Title of the Officer
personally appeared Kevin Keck
Name(s) of Signer(s)

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 California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature C. Maher
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Form of Memorandum of Lease Document Date: 10/11/18
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer Is Representing: _____

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer Is Representing: _____

STATE OF CALIFORNIA

COUNTY OF SACRAMENTO

On this 31 day of October, 2018, personally appeared before me Kevin Keck, who being by me duly sworn did say that he is the President of Klamath Hills Geothermal LLC, an Oregon limited liability company, and that the foregoing instrument was signed on behalf of said company by authority of its Operating Agreement, or by resolution of its Board of Managers, and said Kevin Keck acknowledged to me that said company executed the same.

NOTARY PUBLIC

Residing At: _____

My Commission expires:

Exhibit A

Legal Description of the Leased Premises

The following described premises situated in Klamath County, Oregon, namely:

That part of the East half of Section 33, Township 40 South, Range 9 East Willamette Meridian lying Easterly of the following described line: Beginning at a point on the Northerly line of said Section 33 which lies North 89° 58' East 1595.8 feet from the quarter section corner on the said Northerly line of said section, and running thence South 0°01' West along the centerline of a drain as the same is now located for a distance of 5252.2 feet to a point on the southerly line of said Section 33, said line being the Easterly line of property heretofore conveyed by grantors to W.S. Edwards and Anola Edwards.

Also, West half of Northwest quarter; Southwest quarter; West half of Southeast quarter; Southeast quarter of Southeast quarter and Northeast quarter of Northeast quarter; and Lots 1, 2, 3, 4, 5, 6, 7, and 8, all in Section 34; Lots 3, 4, 5 and 6 in Section 35, all in Township 40 South Range 9 East Willamette Meridian;

Also, a piece or parcel of the Southwest quarter of Northwest quarter and Lots 1 and 2 of Section 35, Township 40 South, Range 9 East Willamette Meridian, Klamath County, Oregon, containing 34.5 acres, more or less, and more fully described as follows;

Beginning at the intersection of the township line marking the southerly boundary of the said Section 35, with the southwesterly boundary of the right of way of the Lower Lake County Road, as the same is now located and constructed, said point of intersection being 241.9 feet more or less, westerly from the quarter section corner on the southerly boundary of the said Section 35, and running thence Westerly along said township line 812.2 feet, more or less, to the Meander corner on said township line as established by the survey of 1858, and running thence Northerly along the Meander line of the said Survey of 1858, N. 31° 45' W. 990.0 feet; thence N. 21 ° 30' W. 1089.0 feet; thence North 79.2 feet; thence N. 53° 00' W. 561.0 feet; thence N. 62 ° 30' W. 275.2 feet, more or less, to the Meander Corner as established by the said Survey of 1858, on the section line marking the Westerly boundary of the said Section 35; thence Northerly along the said section line marking the Westerly boundary of the said Section 35, 750 feet, more or less, to its intersection with the said Southwesterly boundary of the right of way of the said Lower Lake County Road; thence Southeasterly along said right of way boundary 4010 Feet, more or less, to the said point of beginning.

Also, the Northeast quarter of Section 3 Township 41 South Range 9 East Willamette Meridian, Klamath County, Oregon.

Excepting the 29.2 acres conveyed to John D. O'Connor *et. al.* by deed recorded in Vol. 153, page 21, and the 1.2 acres conveyed to John M. Liskey, Jr. *et. ux.* by deed.

recorded in Vol. 236 at page 431, both in the Klamath County Deed Records.

Also excepting 1.16 acres in Section 35 of Township 40 South Range 9 East conveyed to the Virginia Liskey Revocable Trust; and

Also excepting Lots 2 and 3 in Section 35 of Township 40 South Range 9 East.

