AMENDMENT AND SUPPLEMENT TO LEASE AND AGREEMENT

THIS INSTRUMENT is entered into as of this 5th day of February, 1964, by and between ELMER L. BATZ and LILLIAN E. BATZ, Party of the First Part, hereinafter referred to as Lessor and MAGMA POWER COMPANY, a Nevada corporation, Party of the Second Part, hereinafter referred to as Lessee.

Recitals

The parties did heretofore enter into a Lease and Agreement, dated December 1, 1959, covering certain lands situated in Eureka and Lander Counties in the State of Nevada, as described therein, which said lease is recorded in Book H, Page 74 of Miscellaneous Records of Eureka County, Nevada, and in Book 11, page 354 of Miscellaneous Records of Lander County, Nevada. The parties did heretofore enter into amendments to said Lease and Agreement which said amendments are unrecorded and pursuant thereto the time for compliance by Lessee with the provisions of Paragraph 2(a) of said Lease and Agreement was extended; that said Lease and Agreement, as amended, is presently valid and subsisting and in full force and effect.

The parties desire to amend and supplement said Lease and Agreement in the particulars as hereinafter set forth.

Terms of Agreement

NOW, THEREFORE, for and in consideration of TEN DOLLARS ($10.00) paid to Lessor by Lessee and other valuable consideration, receipt of which is hereby acknowledged, and in consideration of the covenants and agreements hereinafter set forth, the parties do hereby agree as follows, to-wit:

1. The terms "steam" and "steam power" shall be deemed to include the natural heat of the earth, hot water, and all thermal energy and all gases which may be utilized for the generation of electric power, which may be present in or producible from the leased land. The terms "by-products of steam condensates", "by-products of steam", "condensates of steam", "products of steam", and "well products" shall be deemed to include all gases, liquids, solids, carbon dioxide, methane, helium, heavy water, sulphur, sulphur gases, sulphur compounds, boron compounds, halogens and their compounds, carbonate and bicarbonate compounds, and all minerals and mineral substances extractable from steam or steam power which may be present in or producible from the leased land. Notwithstanding the foregoing, it is specifically understood that this lease does not grant to Lessee the right to extract from the leased land any petroleum, oil, natural gas or products derived therefrom.

2. Notwithstanding the provisions of Paragraph 1 of said lease, the term of said lease shall be no longer than ninety-nine (99) years from and after the date thereof and for such longer period as the obligations of Lessee thereunder are suspended for the causes as therein set forth.

3. Lessee shall pay to Lessor a yearly rental of $1,250.00, payable in semi-annual installments of $625.00 in advance, on the 1st day of January and the 1st day of July of each year commencing from January 1, 1964, so long as this lease shall remain in force as to any of the leased land or until the royalty payable to Lessor hereunder shall equal or exceed said rent. The rentals provided for in this paragraph shall be known as "delay rentals",

4. Notwithstanding the provisions of Paragraph 6 of said lease, Lessee shall pay to Lessor as royalty the following, to-wit:

a. Ten percent (10%) of the gross proceeds received by Lessee from the sale of steam or steam power, as such, produced from the leased land, and not utilized in the generation of electric power, in the manner as provided for in said Paragraph 6;

b. 25/100ths of 1 mill per kilowatt hour for all electricity generated by utilization of steam or steam power produced from the leased premises. The quantity of electric power upon which said royalty shall be payable shall be determined by a kilowatt-hour meter which shall measure the output to transmission and distribution lines supplied from the steam station where the electricity is generated.

c. Lessee shall not be required to pay to Lessor any royalties or damages of any kind or character on account of any steam, well products or electrical energy generated by the use thereof from any lands in Township 31 North, Range 48 East, M.D.B. & M., other than the lands herein leased, and any such steam, well products or the electricity generated or produced by the use of such steam or well products from any well which is located on lands other than the lands leased shall be conclusively presumed to have been produced from wells on such other lands; provided, however, that Lessee shall not drill any wells from any point on adjacent or adjoining lands which shall intersect a plane extending vertically downward from the exterior boundaries of the leased land.

5. Notwithstanding the provisions of Paragraph 6 of said lease it is agreed that in the event the production of steam or other well products from the leased land or from other lands located in Township 31 North, Range 48 East, should, at any time, exceed the demand therefor or the facilities for use thereof

and the Lessee elects to reduce the total volume of steam, steam power or other well products produced or consumed, then in that event each well participating on a commingling basis shall be reduced in a percentage amount equal to its proportional capability of the whole; however, no well producing steam of inferior chemical quality or temperature or pressure need be produced. The chemical quality, temperature and pressure of the steam produced by any such well shall be determined by reasonable evidence based upon sound technical information and not by the arbitrary whim or caprice of Lessee.

6. The provisions of Paragraph 7 of said lease shall apply likewise to operations by Lessee on or with respect to the leased land for and in connection with the development and production of well products.

Lessor agrees to file whatever applications may be required to appropriate water which may be developed on any lands owned by Lessor in Township 31 North, Range 48 East, M.D.B. & M., this in addition to any application heretofore filed by Lessor and granted and any such rights to water embraced within such applications to appropriate same shall be covered by the provisions of this lease and particularly Paragraph 7 of said lease with respect to Lessee's right to the use thereof.

7. The provisions of paragraph 15 of said lease are hereby amended so that the provisions thereof entitling Lessee "to begin in good faith to remedy" a default shall not apply as to any default which may be remedied within the notice period. The provisions of said Paragraph 15 as presently set forth therein with respect to the right of Lessee "to begin in good faith to remedy" a default shall apply only as to a default which Lessee cannot, in good faith, actually remedy within the said notice

period but which Lessee attempts diligently and in good faith to remedy within the said notice period.

8. In the event Lessee shall assign or enter into a sublease with respect to any portion of the leased land such assignee or sublessee shall be obligated to comply with the provisions of said lease only insofar and to the extent that the provisions thereof are applicable to the lands covered by such sublease or assignment, it being specifically understood and agreed that no default on the part of Lessee under said lease or termination of said lease pursuant to its terms because of default thereunder or by virtue of voluntary surrender on the part of Lessee shall impair or affect in any way the rights of such sublessee or assignee nor cause or result in the termination of such sublease or assignment prior to expiration of the full term thereof unless such sublessee or assignee shall default with respect to the land covered by such sublease or assignment.

9. Lessor shall pay whatever taxes, state or federal, which are levied against the royalty received by Lessor.

10. There is hereby added to Paragraph 13 of said lease and made a part thereof the following provision to-wit:

"Lessee shall not be required to provide substitution for the steam, steam power, or well products derived or produced from the leased land and shall not be liable for any injury or damage to the overlying strata or surface of said lands, to springs or to water courses or anything therein or thereon by reason of removing steam, steam power or well products from the leased land, unless caused by the negligent conduct of lessee or sub-lessee." JMA

11. Paragraph 14 of said lease is amended in the following particulars, to-wit:

a. Lessee shall not be required to lay below plow depth any lines for the gathering and transporting of steam and any discharge or other water lines; and

b. The right of Lessor to elect, after notice as provided in Paragraph 14, to retain as a water well any well which Lessee desires to abandon shall apply only as to any well the drilling of which had been theretofore completed and which had produced steam or steam power which had been utilized in the generation of electric power therefrom.

12. The right of Lessee, at its option, to pay and discharge any taxes, mortgages, trust deeds or other liens or encumbrances against the leased land shall be applicable only in the event that Lessor shall be in default with respect to the payment or discharge of any such liens or encumbrances.

13. The provisions of Paragraph 18 of said lease and the meaning of "sufficient power potential" shall be applicable to and apply as well to well products.

14. The parties do hereby acknowledge and agree that Lessee has fulfilled the requirements of Paragraphs 2 and 2(a) of said Lease and Agreement, and they do hereby agree that the time for compliance by Lessee with the provisions of Paragraph 2(b) of said Lease and Agreement shall be extended to May 1, 1964. The parties agree that in the event Lessee enters into a sublease with Sierra Pacific Power Company as to the leased land or any part thereof, or enters into an agreement with Sierra Pacific Power Company with respect to the leased land and other lands in the vicinity of the leased land for the development of steam or steam power from any such land, such sublease or agreement shall be and shall be deemed to be fulfillment of the provisions of Paragraph 2(b) of said Lease and Agreement.

15. In the event Lessee does not within one year from the date hereof commence and continue diligently to completion the drilling of another well on the leased land for the purpose

of the development of additional natural steam therefrom, Lessor shall have the right to declare a default as provided for in said lease, as amended hereby, and to terminate said lease in the event of Lessee's failure to remedy such default within the notice period, provided that Lessor shall exercise such right of default within six months after expiration of such one year period. After Lessee shall have drilled three (3) additional wells (the deepening of existing wells not being considered the drilling of additional wells) on the hereinafter described lands other than the leased land which such other lands are described as South one-half (S-1/2) of the Southeast one-quarter (SE-1/4) of Section 8 and the Northwest one-quarter (NW-1/4) of Section 17, (Macmillan lands), and the Southwest one-quarter (SW-1/4) of Section 17, (Dermengian lands), all in Township 31 North, Range 48 East, in Eureka and Lander Counties, Nevada, in the event Lessee shall thereafter drill any additional wells, the number of wells thereafter drilled on the leased land shall be not less than the prorata number of total wells drilled on the leased land and such other lands as aforesaid which the total acreage of the leased land then held under this lease, as amended, bears to the combined total acreage of the leased land and such other lands, as aforesaid. It is understood and agreed however that Lessee shall have the right at any time, and from time to time, to quitclaim and surrender to Lessor all or any part of the leased land, but not in units less than 20 acres and to be relieved of all drilling obligations thereafter accruing with respect thereto as to the land so quitclaimed and surrendered. LBS GB JM

16. Lessee has represented to Lessor that Lessee intends to enter into a sublease with Sierra Pacific Power Company as to the leased land and it is agreed by the parties that Lessor shall be free to negotiate directly with Sierra Pacific Power Company for the sale to said Company of any portion of Lessor's

property for a power station, transmission line or other facility or facilities desired by said Sierra Pacific Power Company, provided that such sale shall be made subject to the rights of Lessee hereunder and any monies paid by said Sierra Pacific Power Company for such land shall be paid solely to Lessor.

17. The provisions hereof supersede all amendments to said Lease and Agreement heretofore entered into and said Lease and Agreement dated December 1, 1959, as amended hereby, is declared to be valid and subsisting and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Instrument as of the date hereinabove first written.

Elmer L. Batz

Lillian E. Batz

LESSOR

MAGMA POWER COMPANY, a corporation

By _____ President

By _____ Secretary

LESSEE

STATE OF CALIFORNIA)
) SS
COUNTY OF Los Angeles)

On this 5th day of February, 1964, before me, the undersigned, a Notary Public, personally appeared ELMER L. BATZ and LILLIAN E. BATZ, known to me to be the persons whose names are subscribed to the within instrument, and acknowledge to me that they executed the same.

WITNESS My hand and official seal.

Barbara J Hulse
BARBARA J HULSE

STATE OF CALIFORNIA)
) SS
COUNTY OF LOS ANGELES)

On This 5th day of February, 1964, before me, the undersigned, a Notary Public, personally appeared ROY PARODI, known to me to be the Vice President, and JOSEPH W. AIDLIN, known to me to be Secretary of MAGMA POWER COMPANY the Corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument on behalf of the Corporation herein named, and acknowledged to me that such Corporation executed the within Instrument pursuant to its By-Laws or a resolution of its Board of Directors.

WITNESS My hand and official seal.

PHILLIP CHRONIS
NOTARY PUBLIC - CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY

My Commission Expires August 8, 1967

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CONSENT TO AND JOINDER IN AMENDMENT AND SUPPLEMENT TO LEASE AND AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

That CRESCENT VALLEY RANCH AND FARMS, a Nevada corporation, the owner of fee title, subject to contract for purchase thereof in favor of Robert G. Batz and Gloria A. Batz, husband and wife, of the land, (a) situate in Eureka County, State of Nevada, described as the Northeast quarter (NE/4) of Section 17, Township 31 North, Range 48 East, and (b) situate in Lander County, State of Nevada, described as the Northeast quarter (NE/4) of Section 19, Township 31 North, Range 48 East, does hereby consent to, join in, ratify and confirm the foregoing Amendment and Supplement to Lease and Agreement, which said instrument is dated February 5, 1964, covering said lands, between ELMER L. BATZ and LILLIAN E. BATZ as Lessor, and MAGMA POWER COMPANY, as Lessee, upon the condition that in the event the undersigned retakes possession of said lands or terminates said contract to purchase same because of default under said contract by the said purchasers thereunder, after notice thereof to said Lessee, all rents and royalties thereafter accruing and payable under said Lease and Agreement as amended and supplemented shall be payable to the undersigned.

The provisions hereof shall be binding upon and inure to the benefit of the successors and assigns of the undersigned.

Dated: February 5, 1964.

CRESCENT VALLEY RANCH AND FARMS,
a Nevada corporation

By Arthur Seltzer
Arthur Seltzer, President
and Authorized Officer

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(Corporation)

STATE OF CALIFORNIA } SS.
COUNTY OF Los Angeles

On February 5 1964 before me, the undersigned, a Notary Public in and for said State, personally appeared ARTHUR SELTZER, known to me to be the _____ President, and authorized officer, ~~known to me to be~~ _____ Secretary of the corporation that executed the within Instrument, known to me to be the persons who executed the within Instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

Signature Barbara J Hulse

BARBARA J HULSE
Name (Typed or Printed)

(This area for official notarial seal)

STAPLE HERE

FILE NO. 39739

Filed for record at the request of Pioneer Title Insurance Co. of Nevada April 13,1964, at 05 minutes past 8 A. M. Recorded in Book 3 of Official Records, page 590-600, Records of EUREKA COUNTY, NEVADA.

Fee: $8.65 _____, Recorder.