

## MEMORANDUM OF LEASE AND AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

That JOHN E. and KATHLEEN R. MC KINNEY, Joint Tenants  
\_\_\_\_\_, as Lessor,  
and MAGMA POWER COMPANY, a corporation, as Lessee, did on the  
date hereof enter into a Lease and Agreement covering the land  
situate in the County of EUREKA, State of  
NEVADA, described in Exhibit "A" attached  
hereto, for development of natural steam and steam power there-  
from, for use as such or for conversion into electric power  
or for processing to obtain by-products therefrom.

The term of said lease is for twenty-five (25) years from  
and after the date hereof, (subject to termination as therein  
provided), and so long thereafter as there is commercial  
production of steam, electric power, or any by-products from  
the condensates of steam, derived or produced from the property  
leased thereunder, and for so long, as well, as Lessee is  
prevented from producing same, or the obligations of Lessee  
thereunder are suspended, for the causes as set forth in said  
Lease and Agreement.

Reference is hereby made to executed copies of said Lease  
and Agreement in possession of Lessor and Lessee, respectively,  
for all of the provisions thereof, and by this reference same  
is incorporated herein and made a part hereof in all respects  
as though fully set forth herein.

Dated this 20th day of JANUARY, 1961.

SEAL  
Affixed

MAGMA POWER COMPANY, a  
corporation

John E. McKinney

By Blk. Jay  
President

Miss Kathleen R. McKinney

By Joseph W. Adair  
Secretary

LESSOR

LESSEE

DESCRIPTION OF PROPERTY

West Half of Southwest Quarter of Northeast Quarter,  
Section 9, Township 31 North, Range 48 East, M. D. B. & M.,  
Eureka County, Nevada, consisting of 20 acres more or less.

EXHIBIT "A"

STATE OF CALIFORNIA )  
COUNTY OF LOS ANGELES ) SS.

On This 3 day of MARCH, 1961, before me, the undersigned, a Notary Public in and for said County and State, personally appeared JOHN E. McMINNEY and KATHLEEN R. McMINNEY, known to me to be the persons whose names are subscribed to the within Instrument, and acknowledged to me that they executed the same.

WITNESS My hand and official seal.

SEAL  
Affixed

Walter E. Baker  
Notary Public in and for said  
County and State.

My Commission Expires Mar. 28, 1961

STATE OF CALIFORNIA )  
COUNTY OF LOS ANGELES ) SS.

On This 27<sup>th</sup> day of March, 1961, before me, the undersigned, a Notary Public in and for said County and State, personally appeared B. C. McCABE, known to me to be the President, and JOSEPH W. AIDLIN, known to me to be the 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.

SEAL  
Affixed

Lucile I. Lester  
Notary Public in and for said  
County and State.

LUCILE I. LESTER  
MY COMMISSION EXPIRES MARCH 3, 1964

File No. **40817**

RECORDED AT THE REQUEST OF  
Magma Power Co.

May 10 A. D. 1965

At 50 minutes past 11 A.M.

in Book 7 of OFFICIAL RECORDS

Page 287-289 Records of

EUREKA COUNTY, NEVADA

Walter A. McCarl Recorder

Fee \$ 3.25