

MEMORANDUM OF LEASE AND AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

That JAMES C. and SUSAN PROUT, 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 25th day of January, 1961.



MAGMA POWER COMPANY, a
 corporation

By [Signature]
 President

By [Signature]
 Secretary

[Signature]
[Signature]
 LESSOR

LESSEE

DESCRIPTION OF PROPERTY

West Half of Northwest 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.

COPY

EXHIBIT "A"

STATE OF California)
COUNTY OF Orange) SS.

On This 15th day of February, 1961, before me, the undersigned, a Notary Public in and for said County and State, personally appeared James C. Prout

and Susan Prout, 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.

Richard E. Bates

Richard E. Bates
Notary Public in and for said County and State.

My Commission Expires August 27, 1963



STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS.

On This 13th 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.

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

LUCILE I. LESTER
MY COMMISSION EXPIRES MARCH 3, 1964



40818

File No. _____

RECORDED AT THE REQUEST OF
Magma Power Co.

May 10 A. D. 1965

At 51 minutes past 11 AM

in Book 7 of OFFICIAL RECORDS

Page 290-292 Records of

EUREKA COUNTY, NEVADA
Walter A. DePaul Recorder

Fee \$ 3.25