

MEMORANDUM OF LEASE AND AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

That STELLA A. WREN, 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
therefrom, 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 5th day of May, 19 65.

MAGMA POWER COMPANY,
a corporation

By _____

President

By _____

Secretary

LESSOR

LESSEE

SEAL
Affixed

DESCRIPTION OF PROPERTY

Lot 6 and Lot 11 of the Southeast Quarter of Section 9,
Township 31 North, Range 48 East, Eureka County, Nevada,
Containing 80 acres, more or less.

EXHIBIT "A"

STATE OF California)
COUNTY OF Los Angeles) SS.

On This 25th day of May, 1965, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Stella A. Wren, 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.



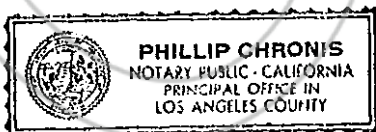
George V. Kartoizian
Notary Public in and for said
County and State.

GEORGE V. KARTOZIAN
My Commission Expires June 24, 1965

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS.

On This 26th day of May, 1965, before me, the undersigned, a Notary Public in and for said County and State, personally appeared B. C. Mc Cole, known to me to be the President, and R. A. Anthony, known to me to be the 1st 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.



My Commission Expires August 8, 1967

Phillip Chronis
Notary Public in and for said File No. 40912
County and State.

RECORDED AT THE REQUEST OF
Magma Power Co.

June 14 A. D. 19 65

At 40 minutes past 11 A. M.

In Book 7 of OFFICIAL RECORDS

Page 421-423 Records of

YUREKA COUNTY, NEVADA
Stella A. Wren Recorder
Fee \$ 2.45