

RECORDING REQUESTED BY:
 AMERICAN THERMAL RESOURCES, INC.
 WHEN RECORDED MAIL TO:
 American Thermal Resources, Inc.
 5405 Stockdale Highway, Suite 205
 Bakersfield, California 93309

RECORDED AT THE REQUEST OF American Thermal Resources, Inc.
 on July 1, 1974, at 00 min. past 11 A.M. b
 Book 48 of OFFICIAL RECORDS, page 493-494 RECORDS OF
 EUREKA COUNTY, NEVADA *John A. McPhee*
 File No. 58750 *John A. McPhee* Recorder
 \$100.00 *John A. McPhee* *John A. McPhee*
 FILE NO. 58750 *John A. McPhee*

FILE NO. 58750

SPACE ABOVE THIS LINE FOR RECORDER'S USE

MEMORANDUM OF GEOTHERMAL LEASE AND AGREEMENT

THIS LEASE AND AGREEMENT; made and entered into this 4th day of February, 1974, by and between NORVAD, INC., and FIRST AMERICAN TITLE COMPANY of NEVADA, c/o ART SELTZER P.O. BOX 517, ZEPHYR COVE, NEVADA 89448

hereinafter called "LESSOR" (whether one or more) and AMERICAN THERMAL RESOURCES, INC., a Nevada corporation, hereinafter called "LESSEE".

WITNESSETH

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the land hereinafter described, for the purposes, and with the sole and exclusive right of exploring, drilling, developing, mining, producing, utilizing, and operating the leased land for geothermal fluids, including geothermal steam, hot water, and hot brine, geothermal energy and heat at all depths, by-products thereof, products associated therewith, and other commercially valuable substances which may be produced through wells on the leased land, whether or not similar to the above-mentioned substances. The land hereby leased is situated in the County of Eureka, State of Nevada and is described as follows:

Township 31 North, Range 48 East, M.D.B. &M

Section 21: SE/4 SW/4

together with such rights as Lessor may have in waterways, ditches, sloughs, canals, dikes, levees, roads, streets, alleys, easements, and rights-of-way within or adjoining the above described lands and containing forty (40) acres, more or less.

This lease is made for the term and upon and subject to each and all the terms, provisions, covenants and conditions set forth in the certain Geothermal Lease and Agreement of even date herewith between the parties hereto covering the lands hereinabove described, and said Geothermal Lease and Agreement is hereby incorporated herein with the same force and effect as though set forth at length.

ON WITNESS WHEREOF, said parties have caused this lease to be duly executed as of the date first hereinabove written.

NORVAD, INC.

AMERICAN THERMAL RESOURCES, INC.

By: *R.E. King*
 President

By: *Kayann*
 President

By: *August J. Dawson*
 Secretary

By: *D.W. Clark*
 Secretary

FIRST AMERICAN TITLE COMPANY of NEVADA

By: *John L. Cooper*
 President

By: *Theodore H. Schaeffer*
 Secretary

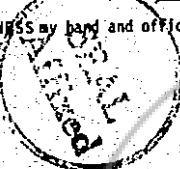
LESSOR

LESSEE

STATE OF Arizona }
 COUNTY OF Mesa } ss.

On 2-4-74, before me, the undersigned, a Notary Public in and for said State, personally appeared A. J. Siltz and August, known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same.

WITNESS my hand and official seal.



Susan P. Santini
My Commission Expires Jan. 10, 1976

STATE OF NEVADA }
 COUNTY OF Washoe } ss.

On March 11, 1974, before me, the undersigned, a Notary Public in and for said State, personally appeared LYNN R. COOPER, known to me to be the President, and THEODORA HOLLENBECK, known to me to be the Asst. Secretary of

FIRST AMERICAN TITLE COMPANY OF NEVADA

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 same pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal:
SUSAN P. SANTINI
 Notary Public - State of Nevada
 Washoe County
 My Commission Expires April 18, 1977

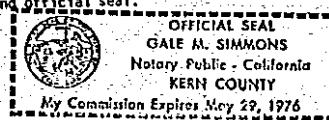
Susan P. Santini

STATE OF CALIFORNIA }
 COUNTY OF Kern } ss.

On March 15, 1974, before me, the undersigned, a Notary Public in and for said State, personally appeared Roy Parodi, known to me to be the President, and D. W. Robinson, known to me to be the Secretary of

AMERICAN THERMAL RESOURCES, INC., 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 same pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.



Gale M. Simmons

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