

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO.

U.S. Geothermal Inc  
390 E Parkcenter Blvd  
Suite 250  
Boise, ID 83706  
Attention: Jonathan Zurkoff  
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**LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING**  
(With Assignment of Leases and Rents)

THIS DOCUMENT SERVES AS A FIXTURE FILING  
UNDER THE COMMERCIAL CODE AS ADOPTED IN THE  
STATE OF NEVADA.

THIS LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING (With Assignment of Leases and Rents) (as it may be amended, modified, extended, renewed, restated, or supplemented from time to time, the "Deed of Trust") is made as of May 30, 2014, by Earth Power Resources, Inc., a Delaware corporation, as trustor ("Trustor"), whose mailing address is 2407 S. Troost Avenue, Tulsa, Oklahoma 74114, to First American Title Company, a California corporation, as trustee ("Trustee"), whose mailing address is 1737 North First Street, Suite 500, San Jose, California 95112, for the benefit of U S Geothermal, Inc., a Delaware corporation, as beneficiary (the "Beneficiary"), whose mailing addresses is 390 E. Parkcenter Blvd, Suite 250, Boise, Idaho 83706.

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably grants, bargains, sells, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE AND RIGHT OF ENTRY AND POSSESSION, for the benefit and security of Beneficiary, the following property

(a) all estate, right, title and interest whether now owned or after acquired, in the Geothermal Resources (defined in paragraph (c) below) and other mineral interests and leases, including without limitation, overriding royalty interests and other interests of whatsoever nature or kind and however characterized, together with any and all mineral interests or other interests derived from the leases described in **Exhibit "A"** attached hereto and incorporated herein by this reference (all of such rights, titles, interests and estates of Trustor, howsoever

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characterized being collectively called the "Leases") located on the land described in Exhibit "A" hereto (the "Property"),

(b) all rights, title, interest and estates now owned or hereinafter acquired by Trustor in and to all operating agreements, contracts, farm out agreements, farm in agreements, area of mutual interest agreements, equipment leases, power purchase agreements, interconnection agreements, parallel operating agreements, operation and maintenance agreements, major maintenance agreements, engineering procurement construction agreements, joint development agreements, performance warranties, transmission rights and the like relating to any of the Leases or interests in the Leases or the projects to which the Leases relate,

(c) all rights, title, interests and estates now owned or hereafter acquired by Trustor in and to all steam, gas, energy, brine, geothermal products and resources and all other minerals (collectively, the "Geothermal Resources") in and from which may be produced from or attributable to the Leases, the lands covered thereby and Trustor's interests therein, including all rents, issues, profits, proceeds, products, energy produced from, revenues and other income from or attributable to the Leases, the lands covered thereby and Trustor's interests therein,

(d) all tenements, hereditaments, appurtenances and properties in anywise appertaining, belonging, affixed or incidental to the Leases, properties, rights, titles, interests and estates described or referred to in subparagraphs (a) and (b) above, which are now owned or which may hereafter be acquired by Trustor, including, without limitation, any and all property, real, personal or mixed, now owned or hereafter acquired and situated upon, used, held for use, or useful in connection with the operating, working or development of any of such Leases or properties and including any and all extraction wells, injection wells or other wells, buildings, structures, compressors, pumps, wellhead valves, field gathering systems, pipelines, disposal facilities, tanks and tank batteries, fixtures, valves, fittings, machinery and parts, engines, boilers, turbines, meters, apparatus, equipment, appliances, tools, implements, cables, transmission facilities, towers, casing, tubing and rods, power, telephone lines, surface leases, rights-of-way, easements, servitudes, licenses and other surface rights together with all additions, substitutions, replacements, accessions and attachments to any and all of the foregoing properties,

(e) any property that may from time to time hereafter, by writing of any kind be subjected to the lien and security interest hereof by Trustor or by anyone on Trustor's behalf, and the Trustee, for itself and the benefit of Beneficiary, is hereby authorized to receive the same at any time as additional security hereunder;

(f) all accounts, goods that are or are to become fixtures, equipment, as-extracted collateral, inventory and contract rights and other general intangibles (including, without limitation, all seismic data, geological data, geophysical data and interpretations of any of the foregoing to the extent a security interest therein may be granted) constituting a part of, relating to, or arising out of the property and collateral described or mentioned in paragraphs



(a) through (e) above, and all proceeds and products of the property and collateral described or mentioned in this and said preceding paragraphs; and

(g) all of Trustor's rights now owned or hereafter acquired in and to all lease records, well records and production records which relate to any of the foregoing property. The property described and mentioned in these paragraphs (a) through (g) are sometimes referred to herein as the "Lease Collateral "

TOGETHER WITH all buildings, facilities, structures and other improvements and all additions or alterations thereto or replacements thereof, now or hereafter erected on the Property including, without limitation, fixtures, attachments, appliances, equipment, machinery, and other personal property attached to such buildings and other improvements to the extent the same constitutes real property or fixtures in the State of Nevada (the "Improvements"), all of which shall be deemed and construed to be a part of the Property,

TOGETHER WITH all leasehold estate, right, title and interest of Trustor in and to all leases or subleases covering the Property or the Improvements or any portion thereof now or hereafter existing or entered into, and all right, title and interest of Trustor thereunder including, without limitation, all rights of Trustor against tenants, lessees or guarantors thereof, all cash or security deposits, advance rentals, and deposits or payments of similar nature,

TOGETHER WITH all rents, issues, profits, damages, royalties, income and other benefits now or hereafter derived from the Property and the Improvements (collectively, the "Rents"), subject to the terms and provisions of Article 2 of this Deed of Trust with respect to all leases and subleases of the Property or Improvements now or hereafter existing or entered into, or portions thereof, granted by Trustor, and further subject to the right, power and authority hereinafter given to Trustor to collect and apply such Rents,

TOGETHER WITH all interests, estates, options or other claims, both in law and in equity, which Trustor now has or may hereafter acquire in the Property or the Improvements;

TOGETHER WITH all leasehold estate, right and interest in easements, rights-of-way and other rights now owned or hereafter acquired by Trustor used in connection with the Property or the Improvements or as a means of access thereto (including, without limitation, all rights to the nonexclusive use of common drive entries, and all tenements, hereditaments and appurtenances thereof and thereto) and all water and water rights and shares of stock evidencing the same;

TOGETHER WITH All "Fixtures", as such term is defined in the Uniform Commercial Code as adopted in the State of Nevada (as the same may be amended from time to time, the "UCC"), on the Property or Improvements thereon and owned by Trustor (collectively the "Fixtures"),

TOGETHER WITH all right, title and interest of Trustor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Property, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the Property.

TOGETHER WITH all the estate, interest, right, title, other claim or demand, both in law and in equity (including, without limitation, claims or demands with respect to the proceeds of insurance in effect with respect thereto) that Trustor now has or may hereafter acquire in the Property, the Improvements, the Fixtures, or any other part of the Trust Estate, and any and all awards made for the taking by eminent domain, or by any proceeding of purchase in lieu thereof, of the whole or any part of the Trust Estate (including, without limitation, any awards resulting from a change of grade of streets and awards for severance damages);

TOGETHER WITH all insurance, condemnation and other proceeds of the foregoing.

The entire estate, property, right, title and interest as described above and hereby conveyed to Trustee may hereafter be collectively referred to as the "Trust Estate."

FOR THE PURPOSE OF SECURING (in such order of priority as Beneficiary may elect) the following (the "Obligations"):

(a) Payment of all indebtedness and performance of all obligations of the Trustor now existing or hereafter arising under that certain promissory note dated as of May 30, 2014 (as amended, modified, extended, renewed, restated or supplemented from time to time, the "Note") from Trustor to Beneficiary in the original principal amount of up to One Hundred Thousand and 00/100 Dollars (\$100,000 00) (the Note and this Deed of Trust are referred to herein collectively as the "Loan Documents"),

(b) payment of all sums advanced by Beneficiary to protect the Trust Estate, with interest thereon;

(c) for the benefit of Beneficiary, compliance with and performance by Trustor of its obligations under the Leases and every material provision of any declaration of covenants, conditions and restrictions, any maintenance, easement and party wall agreement, or any other agreement, document, or instrument by which the Trust Estate is bound or may be affected,

(d) all obligations contained in this Deed of Trust, and

(e) all modifications, extensions and renewals of any of the obligations secured hereby, however evidenced, including, without limitation (i) modifications of the required principal payment dates or interest payment dates or both, as the case may be, deferring or accelerating payment dates wholly or partly, or (ii) modifications, extensions or renewals at a different rate of interest whether or not, in the case of a note, the modification, extension or renewal is evidenced by a new or additional promissory note



For the avoidance of doubt, this Deed of Trust secures the Obligations of Trustor only, and not any other person or entity

TRUSTOR HEREBY COVENANTS AND AGREES AS FOLLOWS.

ARTICLE 1  
COVENANTS AND AGREEMENTS OF TRUSTOR

1.1 Payment and Performance of Obligations Trustor shall pay and perform each of the Obligations

1.2 Maintenance of Leases Trustor will cause its interests in the Geothermal Resources and the Leases to be maintained and operated in a good and workmanlike manner and in accordance with sound field practices and all applicable federal, state and local laws, rules and regulations and will not allow the Leases to be surrendered, abandoned or terminated (other than as expressly provided for in such Leases) or impaired in any manner

1.3 Compliance with Leases and other Obligations Trustor will observe and comply with all of the terms and provisions, express or implied, of the Leases in order to keep the same in full force and effect. Trustor will observe and comply with all of the terms and provisions of all easements, licenses, franchises, permits and contracts (both existing and future) which are part of the Trust Estate or which are incident to the operation of any of the Trust Estate

1.4 Challenges. If the validity or priority of this Deed of Trust or of any right, title, liens or interests created or evidenced hereby with respect to the Trust Estate or any part thereof shall be endangered or questioned or shall be attached directly or indirectly or if any legal proceedings are instituted against Trustor with respect thereto, Trustor will give written notice thereof to Beneficiary promptly, and, at Trustor's own cost and expense, Trustor will diligently endeavor to cure any defect that may be developed or claimed, and will take all necessary and proper steps for the defense of such legal proceedings, including, without limitation, the employment of counsel agreeable to Beneficiary, the prosecution or defense of litigation and the release or discharge of all adverse claims.

1.5 Removal of Improvements None of the Improvements and personal property constituting portions of the Trust Estate will be removed or destroyed, except in the ordinary course of Trustor's business, if to do so would have a material adverse effect on the condition or operation of the Trust Estate or on the business or financial condition of operations on the Property

1.6 Maintenance, Repair. Trustor shall maintain the Trust Estate in good order condition and repair, restoring the Trust Estate in the event of damage or casualty and replacing such items as may need replacement with new items of equivalent value and quality. Specifically, Trustor will cause the Trust Estate and all related machinery, pipelines, equipment, improvements and personal property of any kind now or hereafter used or





obtained in connection with the operation thereof to be kept in safe, good and effective operating condition and all necessary repairs, replacements, additions and improvements thereto to be made

1.7 Reserved

1.8 Casualties; Insurance Proceeds

(a) If Trustor receives any proceeds of insurance resulting from any casualty to the Trust Estate, the insurance proceeds shall be delivered to Beneficiary and may, but shall not be required to be kept in an account as cash collateral to secure the Obligations, and at Beneficiary's option may be released to the Trustor for use in the restoration of the damaged property, so long as no default under the Loan Documents has occurred and is continuing

(b) Trustor shall not be excused from repairing or maintaining the Trust Estate as provided in Section 1.6 hereof or restoring all damage or destruction to the Trust Estate, regardless of whether or not there are insurance proceeds available to Trustor or whether any such proceeds are sufficient in amount, and the application or release by Beneficiary of any insurance proceeds shall not cure or waive any default or notice of default under the Loan Documents or invalidate any act done pursuant to such default or notice of default

1.9 Taxes.

(a) Trustor shall pay, or cause to be paid, all taxes and assessments of any kind and character charged, levied or assessed against the Trust Estate or any part thereof, and all franchise taxes, production, severance or other similar taxes or charges, including, without limitation, all real property taxes and assessments, general and special taxes, personal property taxes, and all other taxes and assessments of any kind or nature whatsoever, (including, without limitation, nongovernmental levies or assessments such as maintenance charges, levies, or charges resulting from covenants, conditions and restrictions affecting the Trust Estate) that are assessed or imposed upon the Trust Estate or become due and payable or that create, may create, or appear to create a lien upon the Trust Estate (the above are sometimes referred to herein individually as an "Imposition" and collectively as "Impositions").

(b) Trustor shall have the right before any delinquency occurs to contest or object to the amount or validity of any Imposition in good faith by appropriate proceedings, but this shall not be deemed or construed in any way as relieving, modifying, or extending Trustor's covenant to pay any such Imposition at the time and in the manner provided by law prior to delinquency .

1.10 Transfer of Trust Estate by Trustor Trustor agrees that it shall not sell, transfer or otherwise encumber the Trust Estate



### 1.11 Eminent Domain

(a) In the event that any proceeding or action be commenced for the taking of the Trust Estate, or any part thereof or interest therein, for public or quasi-public use under the power of eminent domain, condemnation (including, without limitation, inverse condemnation) or otherwise (hereinafter collectively referred to as a "Taking"), or if the same be taken or damaged by reason of any public improvement or Taking, or should Trustor receive any notice or other information regarding such Taking or damage, Trustor shall give prompt written notice thereof to Beneficiary. All compensation, awards, damages, rights of action and proceeds awarded to Trustor by reason of any such Taking or damage or received by Trustor as the result of a transfer in lieu of a Taking (the "Condemnation Proceeds") shall constitute additional collateral, shall be promptly paid over to Beneficiary and shall be considered part of the Trust Estate, but may at Beneficiary's option be released to Trustor to be used for restoration of the respective property for so long as no default has occurred and is continuing under the Loan Documents. Beneficiary is hereby authorized and empowered by Trustor, at Beneficiary's option and in Beneficiary's reasonable discretion, as attorney-in-fact for Trustor, to settle, adjust, or compromise any claim for loss or damage in connection with any Taking or proposed Taking and, without regard to the adequacy of its security, to commence, appear in and prosecute in its own name and/or on behalf of Trustor any such action or proceeding arising out of or relating to a Taking or proposed Taking.

(b) Trustor shall not be excused from repairing or maintaining the Trust Estate as provided in Section 1.6 hereof or restoring all damage or destruction to the Trust Estate, regardless of whether or not there are Condemnation Proceeds available to Trustor or whether any such Condemnation Proceeds are sufficient in amount. The application of the Condemnation Proceeds shall not cure or waive any default or notice of default hereunder or under any other Loan Document or invalidate any act done pursuant to such default or notice of default.

1.12 Additional Security. No other security now existing, or hereafter taken, to secure the obligations secured hereby shall be impaired or affected by the execution of this Deed of Trust. All security for the Obligations from time to time shall be taken, considered and held as cumulative. Any taking of additional security, or any extension of the time of payment of, or modification of other terms of any of the Obligations shall not diminish the force, effect or lien of this Deed of Trust and shall not affect or impair the liability of any maker, guarantor, surety or endorser for the payment or performance of any of the Obligations.

1.13 Appointment of Successor Trustee. Beneficiary may, from time to time, by a written instrument executed and acknowledged by Beneficiary, mailed to Trustor and recorded in the counties in which the Trust Estate is located and by otherwise complying with the provisions of applicable law, substitute a successor or successors to any Trustee named herein or acting hereunder, and such successor(s) shall, without conveyance from the Trustee predecessor, succeed to all title, estate, rights, powers and duties of such predecessor.



1 14 Inspections. Beneficiary, and its agents, representatives officers, and employees, are authorized to enter, during normal business hours with reasonable notice, any part of the Trust Estate for the purpose of inspecting the same and for the purpose of performing any of the acts Beneficiary is authorized to perform hereunder or under the terms of any of the Loan Documents.

1 15 Ownership and Liens. Trustor is, and as to any portion of the Trust Estate acquired hereafter will upon such acquisitions be, and shall remain the owner of the Trust Estate free and clear of any liens except those that exist on the date hereof and those expressly permitted by Beneficiary

1 16 Trustee's Powers At any time, or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and without affecting the personal liability of any Person for payment of the Obligations or the effect of this Deed of Trust upon the remainder of said Trust Estate, Trustee may (a) reconvey any part of said Trust Estate to the Trustor or its designee, (b) consent in writing to the making of any map or plat thereof, (c) join in granting any easement thereon, or (d) join in any extension agreement or any agreement subordinating the lien or charge hereof

1 17 Beneficiary's Powers. Without affecting the liability of any Person liable for the payment or performance of the Obligations herein mentioned, and without affecting the lien or charge of this Deed of Trust upon any portion of the Trust Estate not then or theretofore released as security for the Obligations, Beneficiary may, from time to time and without notice (a) release any person so liable, (b) extend the Obligations, (c) grant other indulgences, (d) release or reconvey to the Trustor or its designee, or cause to be released or reconveyed to the Trustor or its designee, at any time at Beneficiary's option any parcel, portion or all of the Trust Estate, (e) take or release any other or additional security or any guaranty for any Obligation herein mentioned, or (f) make compositions or other arrangements with debtors in relation thereto

1.18 Reserved

1.19 Reserved

1.20 Authorization to File Financing Statements; Power of Attorney Trustor hereby authorizes Beneficiary at any time and from time to time to file any initial financing statements, amendments thereto and continuation statements, as applicable to the UCC Collateral (defined in Section 3.1 below) For purposes of such filings, Trustor agrees to furnish any information requested by Beneficiary promptly upon request by Beneficiary, Trustor also ratifies its authorization for Beneficiary to have filed any like initial financing statements, amendments thereto or continuation statements if filed prior to the date of this Deed of Trust Subject to applicable law, Trustor hereby irrevocably constitutes and appoints Beneficiary and any officer or agent of Beneficiary, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of Trustor or in Trustor's own name to execute in Trustor's name any such documents and to





otherwise carry out the purposes of this Section 1 20 to the extent that Trustor's authorization above is not sufficient. To the extent permitted by applicable law, Trustor hereby ratifies all acts said attorneys-in-fact have lawfully done in the past or shall lawfully do or cause to be done in the future by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

## ARTICLE 2 ASSIGNMENT OF LEASES AND RENTS

2 1 Assignment of Leases and Rents. To the extent applicable, the following assignment of leases and rents is subject to NRS Chapter 107A, the Uniform Assignment of Rents Act. Trustor hereby absolutely and irrevocably assigns and transfers to Beneficiary all Rents and all Geothermal Resources and the proceeds therefrom, produced and to be produced from the interests of Trustor in the Leases (collectively, the "Rent Collateral"), and hereby gives to and confers upon Beneficiary the right, power and authority to demand, collect and receive the Rent Collateral. Trustor irrevocably appoints Beneficiary its true and lawful attorney-in-fact, at the option of Beneficiary at any time and from time to time, to demand, receive and enforce payment, to give receipts, releases and satisfactions, and to sue, in the name of Trustor or Beneficiary, for all Rent Collateral and apply the same to the payment of the Obligations in such order as Beneficiary shall determine. Trustor hereby authorizes and directs the lessees, tenants and occupants to make all payments under the Leases directly to Beneficiary upon written demand by Beneficiary, without further consent of Trustor and such Rent Collateral shall be held as part of the Trust Estate. The assignment of the Rent Collateral of the Trust Estate in this Article 2 is intended to be an absolute and unconditional present assignment from Trustor to Beneficiary and not merely the passing of a security interest. Beneficiary's rights to the Rent Collateral are not contingent upon and may be exercised without possession of the Trust Estate.

2 2 Collection Upon an Event of Default. Upon the occurrence of an Event of Default, Beneficiary may, at any time without notice, either in person, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the Obligations, enter upon and take possession of the Trust Estate, or any part thereof, and, with or without such entry or taking possession, in its own name sue for or otherwise collect the Rent Collateral (including, without limitation, those past due and unpaid) and apply the same, less costs and expenses of operation and collection (including, without limitation, attorneys' fees) upon payment of the Obligations in such order as Beneficiary may determine. The collection of such Rent Collateral, or the entering upon and taking possession of the Trust Estate, or the application of the Rent Collateral as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default. Trustor also hereby authorizes Beneficiary upon such entry, at its option, to take over and assume the management, operation and maintenance of the Trust Estate and to perform all acts Beneficiary in its sole discretion deems necessary and proper and to expend such sums out of Rent Collateral as may be needed in connection therewith, in the same manner and to the same extent as Trustor theretofore could do



(including, without limitation, the right to enter into new leases, to cancel, surrender, alter or amend the terms of, and/or renew existing leases and/or to make concessions to tenants).

2.3 Rent Collateral Upon such entry, Beneficiary shall, after payment of all property charges and expenses (including, without limitation, reasonable compensation to such managing agent or operator as it may select and employ) and after the accumulation of a reserve to meet requisite amounts, credit the net amount of the Rent Collateral received by it to the Obligations, but the manner of the application of such net income and which items shall be credited shall be determined in the sole discretion of Beneficiary in accordance with Section 107A 310 of the Nevada Revised Statutes ("NRS") Beneficiary shall not be accountable for more monies than it actually receives from the Trust Estate, nor shall it be liable for failure to collect Rent Collateral. Beneficiary shall make reasonable efforts to collect Rent Collateral, reserving, however, within its own absolute and sole discretion, the right to determine the method of collection and the extent to which enforcement of collection of Rents shall be prosecuted and Beneficiary's judgment shall be deemed conclusive and reasonable. Any purchaser at a trustee's sale or foreclosure sale may, if it so elects in writing, be subrogated to and succeed to all the rights of Trustor under any or all Leases

2.4 Mortgagee in Possession It is not the intention of the parties hereto that an entry by Beneficiary upon the Property under the terms of this Deed of Trust shall make Beneficiary a party in possession in contemplation of applicable law, except at the option of Beneficiary.

2.5 No Obligation to Perform. Nothing contained herein shall operate or be construed to obligate Beneficiary to perform any obligations of Trustor under any Lease (including, without limitation, any obligation arising out of any covenant of quiet enjoyment therein contained in the event the lessee under any such Lease shall have been joined as a party defendant in any action to foreclose and the estate of such lessee shall have been thereby terminated). Prior to actual entry into and taking possession of the Property by Beneficiary, this assignment shall not operate to place upon Beneficiary any responsibility for the operation, control, care, management or repair of the Trust Estate or any portion thereof, and the execution of this assignment by Trustor shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Trust Estate is and shall be that of Trustor, prior to such actual entry and taking of possession.

### ARTICLE 3 SECURITY AGREEMENT

3.1 Creation of Security Interest Trustor hereby grants and assigns to Beneficiary a security interest in and to all the Fixtures and other portions of the Trust Estate in which a security interest may be granted under the UCC (collectively the "UCC Collateral") to secure the payment and performance of the Obligations. For purposes of such grant of a security interest, each Trustor is a "debtor" and each Beneficiary is a "secured party" as such quoted terms are defined in the UCC.



3.2 Representations, Warranties and Covenants of Trustor Trustor hereby represents, warrants and covenants (which representations, warranties and covenants shall survive creation of any indebtedness of Trustor to Beneficiary and any extension of credit thereunder) as follows

(a) Trustor hereby consents to the recording and/or filing of one or more financing statements, financing statement amendments, fixture filings, and such other documents as Beneficiary may from time to time require to perfect or continue the perfection of Beneficiary's interest in any UCC Collateral, pursuant to the UCC, in form satisfactory to Beneficiary and will execute such other and further documents as Beneficiary may require and pay the cost of recording and filing the same in all public offices wherever recording or filing is deemed by Beneficiary to be necessary or desirable.

(b) Trustor is a corporation, duly formed in the State of Delaware, and in good standing under the laws of Delaware. Trustor's principal place of business and chief executive officer is at Trustor's address first set forth above. Trustor does not do business under any trade name except as previously disclosed in writing to Beneficiary. Trustor will not, without prior written notice to Beneficiary, change its place of business or its chief executive office or adopt or change any trade name or fictitious business name, and will upon request of Beneficiary, execute any documents necessary to reflect the adoption or change in trade name or fictitious business name

(c) Trustor shall immediately notify Beneficiary of any claim against the UCC Collateral adverse to the interest of Beneficiary therein

(d) Subject to any restrictions contained herein or the Note Trustor (i) may in the ordinary course of its business, at its own expense, sell, lease or furnish under the contracts of service any of the personal property or Fixtures normally held by such Trustor for such purpose, and use and consume, in the ordinary course of its business, any raw materials, work in process or materials normally held by such Trustor for such purpose, (ii) may collect, as and when due, all amounts due with respect to any of the above Property, including the taking of such action with respect to such collection as the Beneficiaries may request following the occurrence of a Event of Default or, in the absence of such request, as such Trustor may deem advisable, and (iii) may grant, in the ordinary course of business, to any party, any rebate, refund or allowance to which such party may be lawfully entitled, and may accept, in connection therewith

3.3 Use of Fixtures by Trustor. Until the occurrence of an Event of Default hereunder or under any other Loan Document, Trustor may have possession of the UCC Collateral and use them in any lawful manner not inconsistent with this Deed of Trust or the Loan Agreement

3.4 UCC Remedies Upon an Event of Default.



(a) In addition to the remedies provided in Section 4.2 hereof, upon the occurrence of an Event of Default hereunder, Beneficiary may, at its option, exercise any remedies of a secured party under the UCC or any other applicable law

(b) Beneficiary shall have the right to enforce one or more remedies hereunder, successively or concurrently, and such action shall not operate to estop or prevent Beneficiary from pursuing any further remedy that it may have

3.5 Security Agreement This Deed of Trust constitutes and shall be deemed to be a "security agreement" with respect to UCC Collateral for all purposes and Beneficiary shall be entitled to all the rights and remedies of a "secured party" under the UCC in such regard

3.6 Fixture Filing. Upon its recording in the real property records of the counties in which the Trust Estate is located, this Deed of Trust shall be effective as a financing statement filed as a fixture filing. In addition, a financing statement relating hereto shall be sufficient for filing and/or recording as a financing statement. The filing of any other financing statement relating to any personal property, rights or interests shall not be construed to diminish any right or priority hereunder. For the purposes of the UCC, the following information is supplied:

(a) The name of the debtor is: Earth Power Resources, Inc., a Delaware corporation

(b) The name and address of the secured party is:

U.S. Geothermal, Inc.  
390 E. Parkcenter Blvd  
Suite 250  
Boise, Idaho 83706

(c) The mailing address of the debtor is 2407 S Troost Avenue, Tulsa, Oklahoma 74114

(d) The types and items of collateral are as described in this Deed of Trust and exhibits hereto

(e) Certain items of collateral are or are to become fixtures on the Property and this Deed of Trust contains a description of the applicable real estate

#### ARTICLE 4 DEFAULT, REMEDIES

4.1 Events of Default "Event of Default" as used herein means the occurrence of any breach or default by Trustor under the Loan Documents



4.2 Acceleration Upon Default, Additional Remedies Upon the occurrence of an Event of Default after giving effect to applicable cure and grace periods, Beneficiary may, at its option, declare all or any part of the Obligations immediately due and payable without any presentment, demand, protest or notice of any kind. Beneficiary may, in addition to the exercise of any or all of the remedies specified in Section 3.4:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, enter upon and take possession of the Trust Estate, or any part thereof, in its own name or in the name of Trustee, and do any acts that it deems necessary or desirable to preserve the value, marketability or rentability of the Trust Estate, or any part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Trust Estate, sue for or otherwise collect the Rent Collateral, or any part thereof, including, without limitation, rents or payments past due and unpaid, and apply the same, less costs and expenses of operation and collection (including, without limitation, attorneys' fees) upon the Obligations, all in such order as Beneficiary may determine. The entering upon and taking possession of the Trust Estate, the collection of such Rent Collateral and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of all or any portion of the Trust Estate or the collection, receipt and application of Rent Collateral, Trustee or Beneficiary shall be entitled to exercise every right provided for in any of the Loan Documents or by law upon occurrence of any Event of Default, including, without limitation, the right to exercise the power of sale;

(b) Commence an action to judicially foreclose the lien of this Deed of Trust, appoint a receiver, or specifically enforce any of the covenants hereof (the Property may be judicially foreclosed in parts or as an entirety),

(c) Exercise of the power of sale herein contained and deliver to Trustee a written statement of breach, notice of default and election to cause Trustor's interest in the Trust Estate to be sold (the Property may be non-judicially foreclosed in part or as an entirety), or

(d) Exercise all other rights and remedies provided herein, in any Loan Document or other document or agreement now or hereafter securing or guaranteeing all or any portion of the Obligations, or by applicable law.

4.3 Exercise of Power of Sale. If Beneficiary elects to exercise the power of sale herein contained, Beneficiary shall notify Trustee and shall deposit with Trustee this Deed of Trust and the Note and such receipts and evidence of expenditures made and secured hereby as Trustee may require.

(a) Upon receipt of such statement and notice from Beneficiary, Trustee shall cause to be recorded and mailed to all parties entitled thereto in accordance with





applicable law a notice of default and election to sell ("Notice of Default") and cause a notice of sale to be recorded, published, posted and delivered to Trustor and all other persons entitled thereto as then required by applicable law (the "Notice of Sale") Trustee shall, without demand on Trustor, after lapse of such time as may then be required by applicable law and after recordation of such Notice of Sale and Notice of Sale having been given as required by applicable law, sell the Trust Estate at the time and place of sale fixed by it in said Notice of Sale, either as a whole, or in separate lots or parcels or items as Trustee shall deem expedient, and in such order as it may determine, at public auction to the highest bidder for credit or cash in lawful money of the United States payable at the time of sale Beneficiary may be a purchaser at such sale and, if Beneficiary is the highest bidder, Trustee may credit the portion of the purchase price that would be distributed to Beneficiary against the Obligations in lieu of paying cash Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale and Trustor hereby covenants to warrant and defend the title of such purchaser or purchasers

(b) After deducting all costs, fees and expenses of Trustee and of this Trust, including, without limitation, Trustee's fees and reasonable attorneys' fees, and costs of evidence of title in connection with sale and except as otherwise provided in NRS 40.462, Trustee shall apply the proceeds of sale in the following priority, to payment of (i) first, all sums expended under the terms of the Loan Documents not then repaid, with accrued interest, (ii) second, all sums due under the Obligations, (iii) all other sums, then secured hereby; and (iv) the remainder, if any, to the person or persons legally entitled thereto

(c) Subject to NRS 107 082, Trustee may postpone sale of all or any portion of the Trust Estate by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement or subsequently noticed sale, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new notice of sale.

4.4 Appointment of Receiver. Upon the occurrence of an Event of Default, Beneficiary, as a matter of right and without notice to Trustor or any one claiming under Trustor, and without regard to the then value of the Trust Estate or the interest of Trustor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Trust Estate, and Trustor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the powers and duties of receivers in like or similar cases and all the powers and duties of Beneficiary in case of entry as provided herein and shall continue as such and exercise all such powers until the later of the date of confirmation of sale of the Trust Estate or the date of expiration of any redemption period unless such receivership is sooner terminated

4.5 Remedies Not Exclusive. Trustee and Beneficiary, and each of them, shall be entitled to enforce payment and performance of any and all of the Obligations and to exercise



all rights and powers under the Loan Documents and under applicable law now or hereafter in effect, notwithstanding some or all of the Obligations may now or hereafter be otherwise secured or guaranteed. Neither the acceptance of this Deed of Trust nor its enforcement, whether by court action or pursuant to the power of sale or other rights herein contained, shall prejudice or in any manner affect Trustee's or Beneficiary's right to realize upon or enforce any other security or guaranty now or hereafter held by Trustee or Beneficiary, it being agreed that Trustee and Beneficiary, and each of them shall be entitled to enforce this Deed of Trust and any other security or any guaranty now or hereafter held by Beneficiary or Trustee in such order and manner as they or either of them may in their absolute discretion determine. No remedy herein conferred upon or reserved to Trustee or Beneficiary is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing under applicable law. Every power or remedy given by any of the Loan Documents or by law to Trustee or Beneficiary or to which either of them may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Trustee or Beneficiary and, to the extent permitted by law, either of them may pursue inconsistent remedies.

4.6 Request for Notice Trustor hereby requests a copy of any notice of default and that any notice of sale hereunder be mailed to it at the address provided for in Section 5.5 together with copies to the parties listed therein.

## ARTICLE 5 MISCELLANEOUS

5.1 Change, Discharge, Termination, or Waiver No provision of this Deed of Trust may be changed, discharged, terminated, or waived except in a writing signed by the party against whom enforcement of the change, discharge, termination, or waiver is sought. No failure on the part of Beneficiary to exercise and no delay by Beneficiary in exercising any right or remedy under the Loan Documents or under applicable law shall operate as a waiver thereof.

5.2 Trustor Waiver of Rights Trustor waives, to the extent permitted by law, (i) the benefit of all present and future laws providing for any appraisal before sale of any portion of the Trust Estate and (ii) all rights of redemption, valuation, stay of execution, notice of election to accelerate or declare due the Obligations, and marshaling in the event of foreclosure of this Deed of Trust as a mortgage or exercise of the power of sale herein.

5.3 Statements by Trustor Trustor shall, within ten (10) days after written notice thereof from Beneficiary, deliver to Beneficiary a written statement stating the unpaid monetary Obligations secured by this Deed of Trust and stating whether, to their knowledge, any offset or defense exists against such amounts.

5.4 Reconveyance by Trustee Upon written request of Beneficiary stating that all Obligations have been satisfied in full, and upon surrender of this Deed of Trust to Trustee for



cancellation and retention and upon payment by Trustor of Trustee's fees, Trustee shall reconvey to the person or persons legally entitled thereto, without warranty, any portion of the Trust Estate then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in any reconveyance may be described as "the person or persons legally entitled thereto."

5.5 Notices. All notices, requests and demands to be made hereunder to the parties hereto shall be in writing and shall be delivered by hand or sent by a national overnight courier service such as Federal Express (recipient signature required), registered or certified mail, return receipt requested, through the United States Postal Service to the addresses set forth below, or such other address which the parties may provide to one another in accordance herewith, and any other Person entitled to notice under the Loan Documents. Such notices, requests and demands, if sent by mail, shall be deemed given three (3) days after deposit in the United States mail, and if delivered by hand, shall be deemed given when delivered.

To Beneficiary.      U.S. Geothermal Inc  
390 E. Parkcenter Blvd  
Suite 250  
Boise, ID 83706  
Attention: Jonathan Zurkoff  
Facsimile: (208) 424-1030

To Trustor:            Earth Power Resources, Inc  
2407 S Troost Avenue  
Tulsa, Oklahoma 74114  
Attention: Ronald C Barr  
Facsimile: (918) 512-4125

5.6 Acceptance by Trustee. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by applicable law.

5.7 Captions and References. The headings at the beginning of each section of this Deed of Trust are solely for convenience and are not part of this Deed of Trust. Unless otherwise indicated, each reference in this Deed of Trust to a section or an exhibit is a reference to the respective section herein or exhibit hereto.

5.8 Invalidity of Certain Provisions. If any provision of this Deed of Trust is unenforceable, the enforceability of the other provisions shall not be affected and they shall remain in full force and effect. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Trust Estate, the unsecured or partially secured portion of the debt shall be completely paid prior to the payment of the remaining and secured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement



action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the debt which is not secured or fully secured by the lien of this Deed of Trust.

5.9 Attorneys' Fees If any or all of the Obligations are not paid when due or if an Event of Default occurs. Trustor agrees to pay all costs of enforcement and collection and preparation therefore (including, without limitation, reasonable attorneys' fees) whether or not any action or proceeding is brought (including, without limitation, all such costs incurred in connection with any bankruptcy, receivership, or other court proceedings (whether at the trial or appellate level)).

5.10 Governing Law. With respect to matters relating to the creation, perfection and procedures relating to the enforcement of this Deed of Trust, this Deed of Trust shall be governed by, and be construed in accordance with, the laws of the state in which the Trust Estate is located, it being understood that, except as expressly set forth above in this paragraph and to the fullest extent permitted by the laws of such state, the laws of the State of Nevada shall govern all matters relating to this Deed of Trust. All provisions of the Loan Documents shall be governed by, and construed in accordance with the governing law provision therein.

5.11 Joint and Several Obligations. If this Deed of Trust is signed by more than one party as Trustor, all obligations of Trustor herein shall be the joint and several obligations of each party executing this Deed of Trust as Trustor.

5.12 Number and Gender. In this Deed of Trust the singular shall include the plural and the masculine shall include the feminine and neuter gender and vice versa, if the context so requires.

5.13 Loan Statement Fees Trustor shall reimburse Beneficiary for any reasonable costs actually incurred by Beneficiary for preparing any statement regarding the Obligations, provided, however, that such amount may not exceed the maximum amount allowed by law at the time request for the statement is made.

5.14 Counterparts. This document may be executed and acknowledged in counterparts, all of which executed and acknowledged counterparts shall together constitute a single document. Signature and acknowledgment pages may be detached from the counterparts and attached to a single copy of this document to form physically one document, which may be recorded.

5.15 No Merger of Lease If both the lessor's and lessee's estate under any lease or any portion thereof which constitutes a part of the Trust Estate shall at any time become vested in one owner, this Deed of Trust and the lien created hereby shall not be destroyed or terminated by application of the doctrine of merger unless Beneficiary so elects as evidenced by recording a written declaration executed by Beneficiary so stating, and, unless and until Beneficiary so elects. Beneficiary shall continue to have and enjoy all of the rights and



privileges of Beneficiary as to the separate estates. In addition, upon the foreclosure of the lien created by this Deed of Trust on the Trust Estate pursuant to the provisions hereof, any leases or subleases then existing and affecting all or any portion of the Trust Estate shall not be destroyed or terminated by application of the law of merger or as a matter of law or as a result of such foreclosure unless Beneficiary or any purchaser at such foreclosure sale shall so elect. No act by or on behalf of Beneficiary or any such purchaser shall constitute a termination of any lease or sublease unless Beneficiary or such purchaser shall give written notice thereof to such tenant or subtenant.

5.16 Ownership. Trustor represents and warrants that it has a lawful ownership interest in the Trust Estate and that Trustor has the full right, power and authority to irrevocably grant, transfer, assign, convey and mortgage the same and to execute this Deed of Trust.

5.17 Integration. The Loan Documents contain the complete understanding and agreement of Trustor and Beneficiary and supersede all prior representations, warranties, agreements, arrangements, understandings, and negotiations.

5.18 Binding Effect. The Loan Documents will be binding upon, and inure to the benefit of, Trustor, Trustee and Beneficiary and their respective successors and assigns. Trustor may not delegate its obligations under such Loan Documents.

5.19 Time of the Essence. Time is of the essence with regard to the each provision of the Loan Documents as to which time is a factor.

5.20 Survival. The representations, warranties, and covenants of the Trustor in the Loan Documents shall survive the execution and delivery of the Loan Documents and the making of the loan evidenced by the Note.

5.21 Environmental. If any portion of the Trust Estate is determined to be "environmentally impaired" (as "environmentally impaired" is defined in NRS 40.503, then, without otherwise limiting or in any way affecting Beneficiary's or Trustee's rights and remedies under this Deed of Trust, and subject to Beneficiary's compliance with the requirements of NRS 40.512, Beneficiary may elect to exercise its right under NRS 40.512 to (A) waive its lien as to all of the Trust Estate which is real property and proceed as an unsecured creditor, including reduction of the secured lender's claim against the debtor to judgment and any other rights and remedies permitted by law, or (B) waive any lien that it may have on such environmentally impaired or affected portion of the Trust Estate which is real property and proceed against that portion of the Trust Estate which is unimpaired.

5.22 Adoption of Covenants. Covenants 1, 3, 4 (interest at the highest default rate under the Term Notes), 5, 6, 7 (reasonable counsel fees), 8 and 9 of NRS 107.030 are hereby adopted by reference and made a part hereof to the extent not inconsistent with any other provisions contained herein.





IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

**Trustor:**

Earth Power Resources, Inc ,  
a Delaware corporation


By: 

Name. Ronald C. Barr

Title President

STATE OF OKLAHOMA   )  
                                      )  
COUNTY OF TULSA    )

This instrument was acknowledged before me on June 17, 2014, by  
Ronald C. Barr, as President of Earth Power Resources, Inc , a Delaware corporation

  
(Signature of Notarial Officer)

My Commission Number: 01013297

My Commission Expires: 09/09/17



EXHIBIT "A"  
LEGAL DESCRIPTION

*(See attached.)*

COPY



**Legal Description  
(Eureka County)  
Earth Power Resources, Inc.**

All of Trustor's leasehold interest in and to all that certain real property situated in Eureka County, Nevada, more particularly described as follows:

- 1 BLM Lease NVN 074266

Legal Description

T. 28 N , R. 49 E., MDM NEVADA  
Sec. 10, All

2. BLM Lease NVN 076421

Legal Description

T. 29 N , R. 48 E., MDM NEVADA  
Sec 02, Lots 5-20  
Sec 12, Lots 1-16

3. BLM Lease NVN 078364

Legal Description

T 29 N., R 48 E., MDM NEVADA  
Sec. 24, Lots 1-16  
Sec. 36, Lots 1-12, SW

T. 29 N., R 49 E., MDM NEVADA  
Sec. 30, Lots 1-4, E2, E2W2  
Sec. 32, All

4. BLM Lease NVN 079077

Legal Description

T. 28 N., R. 49 E , MDM NEVADA  
Sec. 02, Lots 1-4, S2NW, S2  
Sec 06, Lots 1-7, S2NE, SENW, E2SW, SE  
Sec. 08, All  
Sec 16, All



5 BLM Lease NVN 089611

Legal Description

T. 28 N., R. 48 E., MDM NEVADA  
Sec. 02, Lots 3-8, S2NW, S2  
Sec 12, N2, N2S2, SESE

T 29 N., R. 49 E., MDM NEVADA  
Sec. 28, All

6 BLM Lease NVN 089612

Legal Description

T 29 N., R. 48 E., MDM NEVADA  
Sec 14, Lots 1-16  
Sec. 22, All  
Sec. 26, All

T. 29 N, R. 49 E , MDM NEVADA  
Sec. 18, Lots 1-4, E2, E2W2  
Sec. 20, All

7 BLM Lease NVN 089613

Legal Description

T. 30 N., R 48 E, MDM NEVADA  
Sec. 36, Lots 1-4, N2, N2S2

T 29 N., R 49 E , MDM NEVADA  
Sec 6, Lots 1-14, E2SW, SE  
Sec. 8, All

T. 30N., R 49 E., MDM NEVADA  
Sec. 28, All  
Sec. 30, Lots 1-4  
Sec 32, All  
Sec 34, All

