

RECORDED AT THE REQUEST
OF AND WHEN RECORDED
RETURN TO:

DALO Living Trust
c/o Dale L. Schwarzhoff, Trustee
3561 Hagen Road
Napa, CA 94558
and

copy to: Ronald C. Barr, President
Earth Power Resources, Inc.
2407 S. Troost Ave.
Tulsa, OK 74114

DOC # 0228050

11/14/2014

02:56 PM

Official Record

Recording requested By
EARTH POWER RESOURCES INC

Eureka County - NV

Mike Rebaleati - Recorder

Fee: \$43.00

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RPTT:

Recorded By: AP

Book- 573 Page- 0271



0228050

APN: 005-400-20 et al & APN: 005-310-02 et al

**MEMORANDUM
OF OVERRIDING ROYALTY**

THIS MEMORANDUM OF OVERRIDING ROYALTY AGREEMENT (this "Memorandum") is made and entered into as of June 2, 2014 (the "Effective Date"), by and between Earth Power Resources, Inc. ("Earth Power") and Dale L. Schwarzhoff, Trustee of the Dalo Living Trust (the "Dalo Trust"). (Earth Power together with Dalo Trust, the "Memorandum Parties").

WHEREAS, Earth Power Resources, Inc., a Delaware corporation, and the Dalo Trust, have entered into that certain unrecorded Royalty Agreement (the "Royalty Agreement"); and

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

1. That, as of the Effective Date, Earth Power as the "Lessee" under a Lease covering various parcels listed in Exhibit A and other leases acquired from the BLM and other private parties collectively known as the Crescent Valley Project, assigned a royalty to the Dalo Trust: ("the Dalo Royalty"). The Dalo Royalty is a royalty based upon the generation and sale of electricity (and the sale or use of steam and heat for secondary purposes) produced under the various leases comprising the Crescent Valley Project. The Crescent Valley Project covers that certain real property evidenced by Leases located in Eureka County, Nevada, one of which covers multiple parcels as specifically described in Exhibit A hereto ; and
2. That, effective as of the Effective Date, the Dalo Trust was assigned a royalty from or in connection to the Lease and Agreement between Montezuma Mines Inc. and Vasquir Mines Inc., Nevada corporations, and Earth Power Resources, Inc., a Delaware corporation, dated June 26, 2009 as recorded with the Eureka County Recorder September 5, 2014 as Documents #0227736 and #0227737 and subsequently extended to June 26, 2021 by amendment (See Exhibit "A" hereto); and
3. That (a) the Royalty Agreement and this Memorandum will inure to the benefit of

and be binding upon any and all successors and assigns of the Memorandum Parties; provided, however, that in the event of a sale, assignment, conveyance or other transfer to a third party of the Lease or the Subject Property or any part thereof, the applicable obligations and liability of Earth Power under the Royalty Agreement will remain solely with the Lease and the Subject Property. The successor lessee to the Leases will thereafter perform the obligations under the Dalo Royalty; and

4. That if Earth Power assigns the Leases, then (a) Earth Power will give written notice of such transaction to the Dalo Trust, and (b) Earth Power will cause the buyer or assignee (as applicable) to assume the obligation of Earth Power or assignor, to pay the Dalo Royalty; and
5. That the Royalty Agreement and the Dalo Royalty will apply to all extensions, modifications and renewals of the Leases; provided, however, that the Royalty Agreement and the Dalo Royalty will terminate and cease to exist at such time as the Leases (as so extended, modified and renewed) have expired and/or been terminated or surrendered; and
6. That (a) the Parties have executed and acknowledged this Memorandum for recordation only and are recording the same for the purpose of providing constructive notice of the Dalo Royalty and the respective rights and obligations of the Memorandum Parties thereunder, (b) the terms, covenants and other provisions of the Royalty Agreement are incorporated herein by reference as though fully set forth herein, (c) this Memorandum does not supersede, modify, amend or otherwise change the terms, covenants and other provisions of the Royalty Agreement, and this Memorandum shall not be used to interpret such terms, covenants or other provisions and (d) in the event of any conflict between this Memorandum and the Royalty Agreement, the Royalty Agreement shall control; and
7. This Memorandum may be executed in any number of counterparts, and all of those counterparts taken together shall constitute one and the same instrument.

[REST OF PAGE LEFT BLANK; SIGNATURES ON NEXT PAGE]



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IN WITNESS WHEREOF, the Parties have executed this Memorandum as of the Effective Date.

EARTH POWER RESOURCES, INC. a
Delaware Corporation

By: Ronald C. Barr
Ronald C. Barr,
President for Earth Power
Resources, Inc.

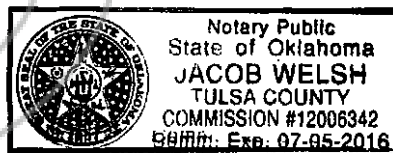
DALO LIVING TRUST

By: Dale L. Schwarzhoff
Dale L. Schwarzhoff,
Trustee of the Dalo Living Trust

STATE OF Oklahoma)
) ss.
COUNTY OF Tulsa)

This instrument was acknowledged before me on June 6, 2014, by
Ronald C. Barr, as President of Earth Power Resources, Inc.

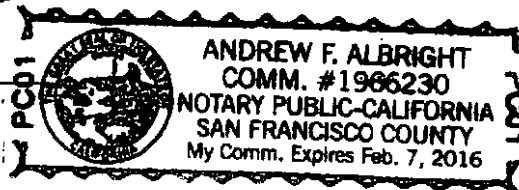
[Signature]
NOTARY PUBLIC



STATE OF CALIFORNIA)
) ss.
COUNTY OF San Francisco)

This instrument was acknowledged before me on June 9th 2014, by Dale
L. Schwarzhoff, as the Trustee of the Dalo Living Trust.

[Signature]
NOTARY PUBLIC



**EXHIBIT A
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to that Memorandum of Lease and Agreement, dated June 26, 2009, by and between
Montezuma Mines Inc. and Earth Power Resources, Inc.

APN	Legal Description	Owned By	Acres
005-400-20	T29N R48E Sec. 13 NW 1/4 NE 1/4	Montezuma Mines Inc.	40
005-410-17	T29N R48E Sec. 23 SE 1/4 NW 1/4	Montezuma Mines Inc.	40
005-410-17	T29N R48E Sec. 23 E 1/2 NE 1/4 NW 1/4	Montezuma Mines Inc.	20
005-410-27	T29N R48E Sec. 35 NE 1/4 NE 1/4	Montezuma Mines Inc.	40
005-460-03	T29N R48E Sec. 25 NW 1/4 NE 1/4 (acreage calculated)	Montezuma Mines Inc.	44.9
005-460-09	T29N R48E Sec. 25 N 1/2 NE 1/4 NW 1/4 SE 1/4	Montezuma Mines Inc.	5
005-460-10	T29N R48E Sec. 25 S 1/2 N 1/2 NW 1/4 SE 1/4	Montezuma Mines Inc.	5
005-460-11	T29N R48E Sec. 25 S 1/2 NW 1/4 SE 1/4	Montezuma Mines Inc.	10
005-460-17	T29N R48E Sec. 25 SE 1/4 SE 1/4 SE 1/4	Montezuma Mines Inc.	8.5
005-460-27	T29N R48E Sec. 25 NE 1/4 SW 1/4; S 1/2 NW 1/4 SW 1/4	Montezuma Mines Inc.	51.8
005-520-11	T29N R49E Sec. 19 Lots 1 & 2	Montezuma Mines Inc.	64.75
005-520-13	T29N R49E Sec. 19 NW 1/4 NE 1/4	Montezuma Mines Inc.	40
005-520-16	T29N R49E Sec. 19 SE 1/4 NW 1/4	Montezuma Mines Inc.	40
005-520-17	T29N R49E Sec. 19 SW 1/4 NE 1/4	Montezuma Mines Inc.	40
005-520-19	T29N R49E Sec. 19 NE 1/4 SE 1/4 NE 1/4	Montezuma Mines Inc.	10
005-520-30	T29N R49E Sec. 19 SE 1/4 SE 1/4 NE 1/4	Montezuma Mines Inc.	10
005-700-07	T29N R49E Sec. 31 Lots 3 & 4	Montezuma Mines Inc.	64.4
005-700-14	T29N R49E Sec. 31 (Por. of--SE 1/4 SW 1/4; SW 1/4 NE 1/4 SW 1/4)	Montezuma Mines Inc.	50

40.00
40.00
20.00
40.00
125.2
204.75



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to that Memorandum of Lease and Agreement, dated June 26, 2009, by and between
Vasquir Mines Inc. and Earth Power Resources, Inc.

APN	Legal Description	Owned By	Acres
005-310-02	T30N R49E Sec. 29 E1/2NE1/4NE1/4	Vasquir Mines Inc.	20
005-480-04	T29N R49E Sec. 5 S1/2 of Lot 5; all of Lot 12	Vasquir Mines Inc.	60
005-500-07	T29N R49E Sec. 7 Lot 1 (NE1/4SE1/4NE1/4)	Vasquir Mines Inc.	10

172 46 acres



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