

STEAM DELIVERY AGREEMENT

1. PARTIES

This Steam Delivery Agreement (Agreement), dated March 21st, 2006, is between Intermountain Geothermal Company, a Delaware corporation, (Intermountain) and PacifiCorp, an Oregon corporation, formerly known as Utah Power & Light Company,(PacifiCorp).

2. DEFINITIONS

Whenever used herein, either in the singular or plural, the capitalized terms used herein shall have the same meanings as defined in the recitals to or in section 2 of the Geothermal Steam Prepurchase Agreement of even date herewith by and between PacifiCorp and Intermountain, (Steam Prepurchase Agreement).

3. DELIVERY AND REINJECTION OF GEOTHERMAL FLUIDS

3.1 Subject to the provisions herein, Intermountain will deliver all Preurchased Steam and Supplemental Steam, as well as all Geothermal Separator Fluid associated therewith, to the Delivery Point and will accept and reinject all Geothermal Injection Fluid related to such Preurchased Steam, Supplemental Steam and Geothermal Separator Fluid.

3.2 The utilization of Geothermal Separator Fluids shall be governed by the following:

3.2.1 PacifiCorp shall have and does hereby reserve, without additional payments by PacifiCorp to Intermountain, the first right to utilize all or part of the heat in the Geothermal Separator Fluids for additional electric generation at the Electric Generating Unit. PacifiCorp will, however, provide Intermountain with at least 180 days notice prior to the commencement of construction of any such heat recovery turbine and will meet with

Intermountain and review any concerns that Intermountain may have as to the potential of such heat recovery turbine to adversely affect the steam reservoir.

3.2.2 If PacifiCorp utilizes the heat in the Geothermal Separator Fluids for additional separations for steam for generation of electric energy, binary generation of electric energy, or for other methods of generation of electric energy, PacifiCorp shall purchase, install, operate and maintain the second Separator and appurtenant equipment and shall pay any additional costs incurred in connection therewith.

4. TERM

4.1 The "primary term" of this Agreement commences on the date specified in section 1 of this Agreement and shall continue until January 22, 2021. This Agreement shall thereafter continue beyond the primary term for any period of time needed for PacifiCorp to receive any Compensating Steam to which PacifiCorp becomes entitled hereunder.

5. LOCATION OF LANDS AND TITLE TO GEOTHERMAL FLUIDS

5.1 The Geothermal Fluids to be delivered to PacifiCorp shall be developed and produced by Intermountain, as Unit Operator, from the lands and leasehold area in the Roosevelt Hot Springs Unit Area embraced within the Participating Area determined in accordance with the Unit Agreement, as amended, and Unit Operating Agreement, as amended, to the extent that Intermountain has existing, or hereafter secures, rights for the development and utilization of such Geothermal Fluids.

5.2 Title to Injection Fluids delivered to Intermountain by PacifiCorp shall pass to Intermountain at the Injection Fluid delivery point and risk shall follow title.

6. LANDS FOR ELECTRICAL GENERATING UNITS, GATHERING SYSTEMS AND INJECTION SYSTEMS

6.1 Intermountain owns in fee, or has transferred to PacifiCorp, surface rights on lands situated within the Roosevelt Hot Springs Unit Area, which are now used or in the future may be used for the installation, construction, operation, maintenance and removal of the Electric Generating Unit.

6.2 Intermountain agrees that PacifiCorp shall have the right to purchase from Intermountain, without warranty of title, such additional portions of said lands as are reasonably necessary for the further installation, construction, operation, maintenance or removal of the Electric Generating Unit upon terms, conditions, and at a price that is mutually satisfactory to both parties. PacifiCorp shall not be precluded by the language hereof from exercising any right of eminent domain it may have under law.

6.3 Intermountain, to the extent that it has the right to do so and subject to PacifiCorp obtaining necessary permits and approvals, hereby grants to PacifiCorp, without cost to PacifiCorp, any rights (to the extent not previously granted to PacifiCorp, or to the extent such grant does not survive the termination of the Phillips Agreement) on the lands within the Roosevelt Hot Springs Unit Area as to which Intermountain has Leases, satisfactory in extent and form to PacifiCorp, for the installation, construction, operation, maintenance and removal of Electric Generating Unit and facilities associated with or appurtenant to the Electric Generating Unit, including but not limited to auxiliary buildings, pipe lines and related appurtenances, electric transmission lines, distribution lines, cooling towers, communication lines and facilities, roads, bridges, housing (to be located in mutually acceptable areas) and other facilities, and space for establishment, maintenance and use of a temporary construction camp, as well as any other facilities as are reasonably necessary for PacifiCorp to carry out the terms of this Agreement. Intermountain shall assign and transfer to PacifiCorp, for the term of the Agreement, without cost to PacifiCorp, to the extent that Intermountain has the legal right to do so, and without warranty of title, such rights (to the extent not previously granted to PacifiCorp, or to the extent such grant does not survive termination of the Phillips Agreement) as

Intermountain has or may have to the use of water for purposes of operation of the Electric Generating Unit and fire fighting capabilities in connection with PacifiCorp's operation of the Electric Generating Unit and appurtenant or associated facilities within the Roosevelt Hot Springs Unit Area. The rights so granted by Intermountain shall be used solely in connection with the utilization of the Geothermal Fluids and the installation, construction, operation, maintenance and removal of the Electric Generating Unit and appurtenant facilities. In the event Intermountain does not have or is unable to secure for PacifiCorp such land and access rights and water rights, PacifiCorp may secure them by condemnation proceedings or by such other means as are available to PacifiCorp, all at the sole expense of PacifiCorp.

6.4 Intermountain shall pay all taxes lawfully levied on such lands, access rights and water rights (to the extent not granted to PacifiCorp, or to the extent such grant does not survive termination of the Phillips Agreement) until such time as the same, or portions hereof, are transferred to PacifiCorp, after which time taxes levied thereon shall be paid by the party to whom such lands, access rights or water were transferred. PacifiCorp shall have title to all facilities installed or constructed by or for PacifiCorp and shall pay whatever ad valorem property taxes may be lawfully levied on said facilities.

7. WELL OPERATIONS

7.1 Intermountain shall drill, construct and purchase producing and injection wells, wellhead equipment, first flash Separators, mufflers and wellhead ponds, and other equipment as needed to carry out its obligations under this Agreement. Intermountain shall operate and maintain the same in good working order.

7.2 The parties hereto agree that all Separators which accept Geothermal Fluids for the first flashing process shall be located at points on the Gathering System mutually acceptable to the parties. If the Separators are not located at the individual well sites, then the parties hereto agree that the Delivery Points and Gathering System shall be redefined and those portions of the Agreement which relate to points of transfer, title to fluids, measurement and other related items shall be redefined in a mutually agreeable manner.

7.3 Any additional wells needed to make the Steam deliveries required hereunder shall be drilled at Intermountain's cost and made available to PacifiCorp at a location as close as possible to the existing Gathering System.

7.4 Intermountain agrees that the Geothermal Fluids may be used as a water source for process, cooling and other in-plant purposes. Such Geothermal Fluids may, in the sole discretion of PacifiCorp, be consumptively used and not returned for injection.

7.5 PacifiCorp, in its sole discretion, shall select whether the Geothermal Injection Fluid pump shall be operated with electric motor, steam turbine drives, or a combination of both. If electric motor drives are selected, PacifiCorp shall provide electric facilities and electrical energy to drive said motors. If steam turbine pump drives are selected, steam may be withdrawn from the geothermal steam outlet of the first flash separators downstream of Intermountain's delivered steam measuring station.

8. CONSTRUCTION AND OPERATION OF THE ELECTRIC GENERATING UNIT, GATHERING SYSTEM AND INJECTION SYSTEM

8.1 PacifiCorp, its agents or assigns, shall has constructed and shall operate the Electric Generating Unit, related Gathering System and Injection System utilizing Geothermal Fluids delivered to PacifiCorp by Intermountain and subsequently delivered to Intermountain for injection pursuant to this Agreement.

9. FLUID SPECIFICATIONS AND OPERATIONS

9.1 Delivery of Fluids.

9.1.1 Intermountain shall deliver the Geothermal Steam and Geothermal Separator Fluid to a point immediately downstream of the well site separator of each producing well or to a point mutually acceptable to both parties.

9.1.2 PacifiCorp shall deliver Geothermal Injection Fluid for injection upstream of the injection flow meter near the injection wellhead for each injection well.

9.2 Steam Specifications

9.2.1 The Geothermal Steam delivered to PacifiCorp at the Steam outlet of each first flash Separator shall have a pressure equal to or greater than 108.3 pounds per square inch gauge (psig), measured at the turbine inlet of the Electric Generating Unit and shall contain no more than one-half percent (0.5%) water in liquid form during steady state conditions and no more than one and one-half percent (1.5%) water in liquid form during nonsteady state conditions of duration no longer than one (1) hour.

9.2.2 If the Geothermal Steam delivered by Intermountain has a pressure of less than one hundred (100) psig, PacifiCorp has the right to suspend turbine operation until the above specified steam delivery pressure is restored by Intermountain. Such suspension of turbine operations will be disregarded in calculating the availability of the Electric Generating Unit for purposes of calculating any applicable steam shortfall compensation pursuant to section 16 of this Agreement.

9.2.3 If the total solids concentration in the Steam at the turbine inlet exceeds 5 ppm by weight during steady state conditions or exceeds 20 ppm by weight during nonsteady state conditions of duration no longer than one (1) hour, PacifiCorp has the right to suspend turbine operation until the problem causing the excessive total solids concentration is corrected. Such suspension of turbine operations will be disregarded in calculating the availability of the Electric Generating Unit for purposes of calculating any applicable steam shortfall compensation pursuant to section 16 of this Agreement. For purposes of the application of this Agreement, the parties agree that volatiles contained in the noncondensable gas will not be considered in calculating total solids.

9.3 Injection Fluid Specification

9.3.1 The Geothermal Injection Fluids delivered to Intermountain for injection at the injection well shall not be of a significantly lesser quality with respect to scaling, solids, corrosive and/or erosive characteristics than the geothermal separator fluids delivered at the first stage separator exists. No substance or agent shall be introduced into the Geothermal Injection Fluids which will be detrimental to the operation of injection well(s) and/or reservoir(s).

9.4 Operating Practices

9.4.1 PacifiCorp and Intermountain shall keep each other notified in writing of the name of a designated representative located on site or on-call, who shall be informed in person or by telephone of any abnormal operation relating to delivery of Geothermal Fluids or handling of Geothermal Injection Fluids.

9.5 Annual Planned Maintenance Outage

9.5.1 PacifiCorp will schedule its annual planned maintenance outage and notify Intermountain thereof in writing thirty (30) days in advance.

9.5.2 The annual maintenance outage previously scheduled in writing by PacifiCorp can be revised to a different period if written notice is given ten (10) days prior to the scheduled outage.

9.5.3 During the annual planned maintenance outage for the Electric Generating Unit, PacifiCorp shall use its best efforts to keep Intermountain's designated representative informed in person or by telephone of when the Electric Generating Unit will resume operation.

9.6 Equipment Failure Outages

9.6.1 An equipment failure outage is defined as the failure of a piece of equipment which causes the Electric Generating Unit to be taken out of operation for a period exceeding 48 hours.

9.6.2 If the equipment failure occurs on equipment owned by PacifiCorp, the PacifiCorp designated representative shall inform Intermountain's designated representative in person or by telephone of the outage and shall state his best estimate of the duration of the outage.

9.6.3 If the failure occurs on equipment owned by Intermountain, Intermountain's designated representative shall inform the PacifiCorp designated representative in person or by telephone of his best estimate of the duration of the outage.

9.6.4 If the equipment failure outage extends more than five (5) days, then the party owning the failed equipment shall provide written notice stating the expected duration of the outage.

9.6.5 Intermountain shall repair the failed equipment with all diligence, in order to reduce the outage duration to the extent possible.

9.7 Intermittent Unit Trip

9.7.1 An Intermittent Unit trip is defined as a short unit outage not exceeding 48 hours.

9.7.2 The equipment causing the failure to produce or receive steam or deliver or inject Geothermal Injection Fluid shall be repaired with due diligence to limit possible outage time by the party owning the equipment.

10. PAYMENT FOR DELIVERY OF GEOTHERMAL FLUIDS

10.1 PacifiCorp shall reimburse Intermountain for all of the operating and maintenance expenses and for all applicable administrative and general expenses related to the delivery of Steam and Geothermal Separator Fluid, or reinjection of Geothermal Injection Fluid associated with the operation of the Electric Generation Unit (collectively, "O&M Fees"), including but not limited to all of the following costs paid by or incurred on behalf of Intermountain:

a. the depreciation and amortization related to the Facilities calculated in accordance with generally accepted accounting principles in the United States, including but not limited to depreciation and amortization on replacements of equipment and other tangible and intangible property (including computer software and systems);

b. the costs incurred to disassemble, inspect, clean, rebuild, repair, reassemble and test major items of equipment of the Facilities; and

c. the cost of electricity, insurance, incidental expenses related to the business of Intermountain, including but not limited to property and other taxes (including penalties and interest) payable by or on behalf of Intermountain for professional services, such as fees and expenses of attorneys, independent accountants and consulting engineers and the allocable cost of any affiliated in-house administrative and legal services of an extraordinary nature.

O&M Fees shall include, but shall not be limited to the following: actual cost to Intermountain of goods and materials used by Intermountain relating thereto; the pro rata cost to Intermountain of personnel providing labor or services related thereto; the portion of the cost of invested capital and depreciation related to machinery and equipment used by Intermountain in connection therewith; the actual cost of subcontractors, whether an affiliate of Intermountain or otherwise; and a pro rata portion of Intermountain's overhead, administrative and general costs.

Intermountain shall invoice PacifiCorp on or prior to the fifteenth (15th) day of each calendar month for the O&M Fees related to the immediately preceding calendar month. PacifiCorp shall

pay Intermountain for such O&M Fees within thirty (20) days of the date of the invoice related thereto.

10.2 PacifiCorp will reimburse Intermountain within thirty (20) days of Intermountain's invoice to PacifiCorp for Bureau of Land Management (BLM) royalties (and only for such royalties as are charged by BLM), if any, associated with payment of O&M Fees for deliveries of Preurchased Steam and Supplemental Steam under this Agreement, when such royalties are charged by BLM. Intermountain shall cooperate in assuring that such royalties do not exceed ten percent (10%) of the O&M Fees. Intermountain shall appeal at PacifiCorp's request any BLM royalty determination that exceeds ten percent (10%) of such O&M Fees.

10.3 Payment by PacifiCorp to Intermountain hereunder otherwise shall be made in the manner specified by Intermountain from time to time.

10.4 The O&M Fees and BLM royalty reimbursement provided in this section 10 constitute the total compensation payable to Intermountain for all services specified in this Agreement, including but not limited to all compensation for any sales, use, income, property or other taxes, or royalties, imposed on the services rendered hereunder, on the real or personal property used to provide such services or on the revenues derived from such services.

11. RECORDS AND AUDITS

11.1 Intermountain shall keep records and books of account in accordance with normal accounting practices fully documenting all O&M Fees and royalty reimbursement charges hereunder. Upon thirty (30) days notice, Intermountain will make such records and books of account available for inspection and audit by PacifiCorp or its designated agents during Intermountain's regular business hours and at the office where such records and books of account are kept.

11.2 If any such audit discloses that any error has occurred and that, as a result thereof, an overpayment or any underpayment has been made, the amount thereof shall promptly be paid

to the party to whom it is owed by the other party. All expenses of any such audit shall be paid by PacifiCorp.

12. EXCHANGE OF INFORMATION AND CONFIDENTIALITY OF DATA

12.1 Each party shall exchange and provide to the other party to this Agreement information requested with respect to matters pertaining to operations under this Agreement.

12.2 Each of the parties hereto agree that it will not release operating information provided by the other party and identified in writing as confidential, to any other person or entity, other than as required by law, or other than to consultants of such party, without the prior written consent of the party who supplies such confidential information, and will require the same of any consultant and will request the same of any government body receiving such confidential information. Consent shall not be unreasonably withheld.

12.3 Neither party shall be required to share proprietary methods, systems or data incidental to the collection and/or analysis of data exchanged pursuant to this Agreement.

13. RELATIONSHIP OF PARTIES

13.1 This Agreement provides for the delivery by Intermountain to PacifiCorp of Geothermal Fluids, and disposal of Geothermal Injection Fluids after they have been utilized in the Electric Generating Unit. This Agreement is not intended to create and shall not create a partnership, joint venture or agency. Neither party may obligate the other and each shall hold the other harmless from any cost, expense or liability incurred on account of each party's action taken pursuant to this Agreement (unless such indemnity would be inconsistent with any obligation or agreement created in this Agreement).

14. INDEMNIFICATION

14.1 Each party hereto shall be responsible for the consequences of its own action and shall indemnify and hold harmless the other party from the consequences thereof.

Nothing contained herein does or is intended to relieve either party from the consequences of their own negligent acts, or those of its agents or assigns.

14.2 In accordance with Section 14.1 above, Intermountain, and PacifiCorp, respectively, as indemnitor, shall and do hereby indemnify each other, as indemnitee, and shall save the other party hereto harmless from any and all loss, damage, expense and liability resulting from injuries to or death of persons, including but not limited to employees of any party hereto, and damage to or destruction of property, including but not limited to the property of any party hereto, arising out of or in any way connected with the performance of this Agreement or any operations hereunder by the respective indemnitor, its agents or employees, excepting only such injury, death, damage or destruction as may be caused by the negligence or willful misconduct of the indemnitee, its agents or employees.

14.3 Each indemnitor shall, upon the request of the indemnitee, defend any suit asserting a claim covered by this Article 14.

14.4 Intermountain shall have no liability for general or special damages due to losses which arise or occur by reason of PacifiCorp's construction and operation of the Electrical Generating Unit and related facilities, transmission lines, gathering system and the other facilities for which PacifiCorp is responsible under this Agreement.

14.5 PacifiCorp shall have no liability for general or special damages due to losses which arise or occur by reason of Intermountain's construction and operation of the geothermal wells and injection wells for which Intermountain is responsible under this Agreement.

14.6 Intermountain shall and does hereby indemnify PacifiCorp from and against any claims that may be asserted by any party claiming they are entitled to Geothermal Fluids or (except as to the BLM) that they are entitled to receive royalties on Geothermal Fluids produced and delivered to PacifiCorp pursuant to this Agreement.

15. FORCE MAJEURE

15.1 If either party to this Agreement shall fail to perform any obligation (except pecuniary obligations) hereby imposed upon it and such failure shall be caused, or materially contributed to, by act of God, a public enemy, sabotage, strike, lockouts, industrial disturbance or differences with workmen, riots, rebellions, washouts, earthquakes, storms, freezing of lines, fire, explosion, the availability of equipment, material or labor on the open market, injunctions, or interference through legal proceedings, municipal, State or Federal laws or regulations, inability, delay or failure of either party to commence or conduct its operations hereunder due to any law, rule, regulation, order, restriction, prohibition or other action of (or failure to act by) any agency or branch of government, whether federal, state or local, including the inability, delay or failure to obtain such licenses, permits or other authorizations (or the revocation of any such licenses, permits or other authorizations) as are required by the party to conduct such operations, accident, breakdown or damage to the Electric Generating Unit and related equipment, or to wells or related facilities or machinery, equipment or lines of pipe, or any cause or causes of whatsoever nature (whether like or unlike those herein enumerated) beyond such party's reasonable control, or shall be occasioned by the necessity for making reasonable repairs to or reconditioning the Electric Generating Unit and related equipment, wells, machinery equipment or lines of pipe, such failure shall not be deemed to be a violation of the obligations of such party hereunder. Such party shall, however, use reasonable diligence to put itself again in a position to carry out its obligations hereunder.

15.2 If either party hereto is unable to carry out any of its obligations under this Agreement because of an event of force majeure specified in Section 15.1, and if such party shall promptly give to the other party written notice of such event of force majeure, then all obligations, except for the payment of money, by the party giving such notice shall be suspended

to the extent made necessary by such event of force majeure and during its continuance; provided, however, that the party giving such notice shall use all reasonable diligence to remedy or otherwise eliminate such force majeure insofar as possible. Nothing herein contained shall cause the party affected by force majeure to submit to unreasonable conditions or restrictions imposed by any governmental authority nor shall it require the parties to submit to an unfavorable labor agreement. It is agreed that the handling of any legal proceeding or settlement of labor disputes shall be entirely within the sole and absolute discretion of the party affected thereby. Except as otherwise provided in this Agreement the period of any delay occasioned by force majeure shall be disregarded in computing timely performance.

15.3 The parties acknowledge that PacifiCorp's prepayment for Steam delivered hereunder is in lieu of revenues that PacifiCorp would not otherwise have paid during a force majeure period. Thus, notwithstanding any other provisions of this section 15, no force majeure condition shall excuse the payment of the Steam shortfall compensation specified in section 16 of this Agreement.

16. STEAM SHORTFALL COMPENSATION

16.1 Intermountain will assure an availability of Steam delivered under this Agreement sufficient to allow PacifiCorp to obtain its Full Load Steam Requirements upon demand.

16.2 If such availability is not achieved, Intermountain shall pay compensation to PacifiCorp for the portion of the annual Steam shortfall comprised of Preurchased Steam acquired by PacifiCorp from Intermountain, in the compensation amounts shown for the applicable year in Exhibit A, which exhibit is attached to and made part of this Agreement. The parties agree that the Steam shortfall compensation specified in this section 16 and in Exhibit A is based for each year on the assumed Steam deliveries and prices used to compute the price paid by PacifiCorp for the Preurchased Steam being delivered hereunder; therefore, the specified compensation is needed to reimburse PacifiCorp for its payments to Intermountain with respect to Preurchased Steam which subsequently is not delivered.

16.3 The amounts of Steam availability shortfall and associated compensation, if any, will be computed each 12-month period, beginning with the date of the original prepayment to Intermountain, as follows: (1) Actual deliveries will be adjusted for pressure lower than one hundred eight and three tenths (108.3) psig, measured at the turbine inlet of the Electric Generating Unit, by the applicable adjustment factor specified in Exhibit B to this Agreement. The annual amount delivered also will be adjusted if the noncondensable gas content of the steam exceeds three percent (3.0%) by weight, by reducing the steam quantity deemed delivered by the quantity in pounds per hour of noncondensable gas quantities in excess of three percent (3.0) by weight for each hour that the steam contains excess noncondensable gas; (2) such adjusted amounts of actual deliveries will be compared with steam deliveries of three billion, twenty million, ten thousand, seven hundred two (3,020,010,702), multiplied by the ratio of the availability of the Electric Generating Unit, exclusive of any limitations resulting from an inadequate steam supply (which Electric Generating Plan availability may be greater or less than eighty-seven and seven tenth percent (87.7%)), during such 12-month period, divided by eighty-seven and seven-tenths percent (87.7%); (3) if the adjusted steam deliveries pursuant to (1) above during such 12-month period are less than the annual steam requirements computed pursuant to (2) above, Intermountain will pay compensation for such shortfall at the annual rates per thousand pounds of shortfall as specified in Exhibit A to this Agreement, multiplied by the percentage of Full Load Steam Requirements for which PacifiCorp has prepaid.

16.4 The availability of the Electric Generating Unit, exclusive of any limitations resulting from an inadequate steam supply, shall be computed as follows:

The sum of each hourly determination of the percent of full load capability of the Electric Generating Unit during such twelve (12) month period as recorded each hour on PacifiCorp's hourly station log, will be divided by the number of hours in such twelve (12) month period. Such hourly determination of Electric Generating Unit availability shall be made by PacifiCorp's station operator each hour based on the operational status of all equipment needed to achieve full load capability and shall be made in the same manner as used to calculate the availability of the Electric Generating Unit in 1988 and 1989. Notwithstanding the above, such determination of availability shall not include

any reductions as a result of any deficiency in Steam deliveries to PacifiCorp or any suspension of turbine operations pursuant to 9.2.2 or 9.2.3 of this Agreement.

16.5 If PacifiCorp subsequently constructs a heat recovery turbine to use the heat from Geothermal Separator Fluid which PacifiCorp is entitled to receive under section 3 of this Agreement, the availability of such heat recovery turbine shall not be considered in computing the availability of the Electric Generating Unit.

17. COMPENSATING STEAM

17.1 If any amounts due to PacifiCorp by Intermountain, as a result of nonpayment of Steam shortfall compensation, or otherwise as damages for breach or nonperformance of the Steam Prepurchase Agreement of the Related Agreements are not paid, PacifiCorp will have the right to receive and to reinject Compensating Steam. Such Compensating Steam shall be made available by extending the term of the steam deliveries and reinjection rights specified herein for such additional time as is required for the deliver and reinjection of an amount of Compensating Steam equal in value to the unpaid compensation and damages due PacifiCorp, with the amount of such unpaid compensation and damages escalated at eleven and one-half percent (11.5%) per annum from the date incurred until the date the applicable Compensating Steam is delivered. The value assigned to the Compensating Steam shall be calculated as of the date such Compensating Steam is delivered to PacifiCorp, in the same manner as the Steam shortfall compensation set out in Exhibit A to this Agreement.

18. TERMINATION

18.1 If for any reason (including force majeure) the delivery of steam as provided hereunder is terminated prior to the end of the term of this Agreement, Intermountain will pay PacifiCorp a termination charge equal to the present value (at a discount rate of eleven and one-half percent (11.5%)) of all future steam shortfall payments for the steam that will not be delivered as a result of such termination. Such charge for each year, commencing on the same date as of this Agreement, shall be in the amount specified for such year of termination in

Exhibit A to this Agreement. The parties agree that the termination Charges specified for each year in Exhibit A are based on the assumed steam deliveries and prices used to compute PacifiCorp's prepayment for the Steam being delivered hereunder; therefore, the specified compensation is needed to reimburse PacifiCorp for its prepayment to Intermountain with respect to any Steam prepurchased but not subsequently delivered as a result of such termination.

18.2 The termination charges in Exhibit A assume that Intermountain delivers to PacifiCorp Prepurchased Steam equal to one-hundred percent (100%) of the Electric Generating Unit's Full Load Steam Requirements. Such termination charges will be adjusted by multiplying such termination charges by the percentage of the Full Load Steam Requirements of the Electric Generating Unit which Intermountain is obligated to deliver as Prepurchased Steam under this Agreement.

18.3 The payment of such termination charge shall not limit the right of PacifiCorp to collect its damages, if any, in excess of the termination charges, or to exercise any other remedies available to it as a result of the breach of this Agreement or of any other agreement with Intermountain or any other party.

19 INTEREST ON LATE PAYMENTS

19.1 In the event either party fails to pay any sum of money when due hereunder within sixty (60) days of receipt of notice of such delinquency, interest thereafter shall be added to such sum at a rate per annum one percent (1%) higher than the prime rate of interest charged by Citibank N.A., New York, New York, for loans to its most credit-worthy corporate customers, which rate is in effect pursuant to the most recent charge therein quoted by said Citibank N.A. prior to the first bank working day of each calendar quarter. If Citibank N.A. ceases to provide prime interest rate quotes, the quoting bank may be changed by mutual written agreement by both parties. The interest rate charged hereunder shall not exceed the maximum lawful rate that can be charged under the laws of the State of Utah.

20. MEASUREMENT AND TESTING

20.1 Intermountain shall, at its expense, install, operate and maintain in accurate working order measuring stations, properly equipped with recording and integrating features acceptable to PacifiCorp for the measurement of Intermountain's Steam delivered hereunder. Records of Steam pressure, temperature, and flow shall be provided to PacifiCorp. The flow recorded shall have an integrator totalizer which shall be read at each time that the chart is changed and shall be marked onto the flow record chart. A system to record injection pressure fluid temperature and flow shall be provided with features to integrate and totalize the flow as described above. PacifiCorp shall have access to such measuring equipment at all reasonable times, but readings, calibrations and adjustments thereof and changing of charts shall be done by the employees or agents of Intermountain. Intermountain shall keep said measuring equipment in repair, making such periodic tests as PacifiCorp may request but not more than once each three (3) months nor less often than once each six (6) months unless the equipment appears to be damaged, malfunctioning or otherwise in disrepair. Intermountain shall give to PacifiCorp reasonable notice of such test of Intermountain's measuring equipment in order that, if PacifiCorp desires, PacifiCorp may have its representative present. PacifiCorp may challenge the accuracy of said equipment, and when challenged, the equipment shall be tested and repaired if necessary by Intermountain. If equipment challenged is found to be accurate and no repairs are needed, the test shall be paid for by PacifiCorp. If upon any test any measuring equipment is found to be inaccurate, to the extent it affects the measurement accuracy by an amount exceeding one percent (1%), registrations thereof shall be corrected for a period extending back to the time such inaccuracy occurred if such time is ascertainable, and if not ascertainable then back one half of the time elapsed since the last calibration, but with such adjustment not to extend back more than ninety (90) days.

20.2 If for any reason any portion of said measuring equipment is out of service or out of repair so that the quantity and/or temperature of Intermountain's Steam delivered and/or Geothermal Injection Fluids cannot be ascertained or computed from the readings thereof or corrected under the foregoing paragraph of this Article, Intermountain's Steam delivered and/or water injected and/or temperature thereof during the period such measuring equipment was out

of service or out of repair shall be estimated and agreed upon by the parties hereto, using the first of the following methods which is feasible:

a. By using the registration of any check measuring equipment if installed and accurately registering;

b. By estimating the quantity of delivery and/or temperature thereof by averaging deliveries during the preceding periods under similar conditions, considering the power output of the Electric Generating Unit, when the measuring equipment was registering accurately.

20.3 PacifiCorp may, at its option and expense, install and operate measuring equipment to check Intermountain's measuring equipment, but measurement of Intermountain's Steam and water for the purpose of this contract shall be by Intermountain's measuring equipment only, except in cases herein above specifically provided to the contrary. Any check measuring equipment installed shall be of a standard type and shall be subject at all reasonable times to inspection or examination by Intermountain, but the reading, calibration, and adjustment thereof and changing of charts shall be done only by the employees or agents of PacifiCorp.

20.4 The charts and records from Intermountain's measuring equipment shall remain the property of Intermountain and shall be kept by Intermountain on file for a period of not less than four years. At any time within such period Intermountain shall, upon request of PacifiCorp, submit to PacifiCorp records and charts from its measuring equipment together with calculations therefrom, for PacifiCorp's inspection, verification, and copying subject to return by PacifiCorp to Intermountain within thirty days from receipt thereof.

21. ASSIGNMENT

21.1 This Agreement may not be assigned by either party without the written consent of the other, except that either party may, without such consent, assign this Agreement to a successor to all or substantially all of its property and assets concerned with the subject matter hereof or where such assignment occurs as a result of a statutory merger, consolidation or

reorganization, or is required by law or court order. PacifiCorp also may assign this Agreement to any company in any chain of one hundred percent (100%) common ownership, as a parent, subsidiary or otherwise commonly owned company with PacifiCorp.

21.2 This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

21.3 In the event of an assignment hereof by either party, such assignment shall be made specifically subject to all terms and conditions hereof, and the assignee shall assume all of the obligations hereunder of the assigning party; however, the assigning party shall not thereby (nor by the consent to such assignment) be relieved of any of its obligations hereunder, it being understood that each party hereto shall in all respects remain fully obligated and responsible for the performance of its obligations under this Agreement unless and until expressly released therefrom in writing by the other party, except that in the case where the assigning party is required by law or court order to assign, such assigning party shall be relieved of all obligations thereafter accruing hereunder if such release from liability is required by said law or court.

22. COMPLIANCE WITH LAWS

22.1 Each party hereto shall be responsible for compliance with all federal, state, and local laws, rules and regulations applicable to the separate facilities and operations of each as contemplated hereby, provided that this provision shall not be construed to alter any provision hereof permitting a party to claim the imposition of any such provision as an event of force majeure if such provisions are otherwise applicable, or the challenging of the validity or application of any such provision in good faith.

22.2 In addition to the indemnification provisions in Article 14 hereof, each party hereto shall indemnify the other party against, and hold it harmless from, all loss, costs, and liability of every character arising from or growing out of imposition on such other party of any liability based upon the failure of the party to comply with Federal, State or local laws, rules or regulations applicable to the party's separate facilities or operations hereunder.

22.3 Both parties shall comply with equal employment opportunity laws and regulations that are applicable to them under Law.

22.4 The interpretation and performance of this Agreement shall be governed by the laws of the State of Utah.

23. ARBITRATION

23.1 All disputes, except as otherwise specified, arising in connection with this Agreement which cannot be resolved amicably by the parties through good faith negotiations shall be finally settled in accordance with the provision of this Agreement and in the absence of applicable provisions, under the Rules of Arbitration of the American Arbitration Association. The place of arbitration shall be Salt Lake City, Utah.

23.2 Judgment upon the arbitration award rendered may be entered in any Court having jurisdiction or application may be made to such Court for a judicial acceptance of the award and an order of enforcement, as the case may be.

23.3 This arbitration provision is intended to apply only to disputes arising under this Agreement, and not to disputes which might arise under other agreements between the parties.

24. NOTICES

24.1 All amendments or alterations of any kind to any of the documents referred to herein, notices, requests, demands, consents or other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed properly given when delivered in person to the party to be notified, or when mailed by registered or certified United States mail, return receipt requested, or by telegraph, postage or charges prepaid, and addressed to the party to be notified, at its address set forth below, or such other address within the

continental United States of America as the party to be notified may have designated prior thereto by written notice to the other:

If to Intermountain:

Intermountain Geothermal Company
1407 W. North Temple
Salt Lake City, UT 84116-3171
Attn: President

If to PacifiCorp:

PacifiCorp
1407 W. North Temple
Salt Lake City, UT 84116-3171
Attn: General Counsel

A copy of all notices to

PacifiCorp also shall be addressed:

Plant Manager
Blundell Geothermal Plant
Milford, Utah 84751

25. EFFECTIVE DATE AND SIGNATURES

25.1 This Agreement, and the Related Agreements executed the same date herewith, supersede and replace all prior agreements and understandings of the parties hereto with respect to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in their respective corporate names as of the date set forth in Article 1 hereof.

PACIFICORP

INTERMOUNTAIN GEOTHERMAL COMPANY

By: *Edward E. [Signature]*
Its: *Vice President*

By: *[Signature]*
Its: *PRESIDENT*

Steam Delivery Agreement

Exhibit A

Short-Fall Payments and Termination Charges

<u>Year</u>	<u>Short-Fall Payment (\$/1000 (b.))</u>	<u>Termination Charge (millions \$)</u>
1991	0.730	29.30
1992	0.827	30.47
1993	0.848	31.48
1994	0.869	32.54
1995	0.978	33.65
1996	1.002	34.57
1997	1.027	35.51
1998	1.052	36.49
1999	1.177	37.51
2000	1.206	38.26
2001	1.235	39.01
2002	1.265	39.76
2003	1.410	40.51
2004	1.443	40.90
2005	1.478	41.24
2006	1.513	41.52
2007	1.680	41.72
2008	1.720	41.43
2009	1.760	41.00
2010	1.801	40.40
2011	1.994	39.61
2012	2.041	38.14
2013	2.088	36.37
2014	2.137	34.26
2015	2.360	31.76
2016	2.414	28.31
2017	2.470	24.30
2018	2.527	19.67
2019	2.784	14.35
2020	2.848	7.65
2021	and later escalate by 4.8% annually	

Steam Quality Correction Factor

<u>Steam Pressure (psig)</u>		<u>Adjustment</u>
<u>from</u>	<u>to</u>	<u>Factor</u>
109.2	108.3	1.00
108.2	107.3	0.99
107.2	105.3	0.98
105.2	104.3	0.97
104.2	103.3	0.96
103.2	101.3	0.95
101.2	100.3	0.94
100.2	100.0	0.93