

**FINAL PROJECT CONSTRUCTION FUNDING AGREEMENT
BY AND BETWEEN
HUNTINGTON CLEVELAND IRRIGATION COMPANY
AND
PACIFICORP**

This Final Project Construction Funding Agreement (“Agreement”) is entered into this 15th day of May, 2007, by and between PacifiCorp Energy, a division of PacifiCorp, an Oregon corporation, (“PacifiCorp”) and Huntington Cleveland Irrigation Company (“Huntington – Cleveland”), a Utah non-profit irrigation company. PacifiCorp and Huntington – Cleveland shall collectively be referred to as the “parties” and individually as a “party” as the context shall require.

RECITALS

A. Huntington - Cleveland and PacifiCorp entered into a Joint Participation Agreement dated July 14, 2005 (the “Joint Participation Agreement”), for the purpose of designing and constructing a federally sponsored salinity control project (the “Project”) which will be mutually beneficial to both parties. The Project is designed and will be constructed to convert existing canal and ditch water delivery systems owned and operated by Huntington - Cleveland to an enclosed pipeline water delivery system. The Project will be funded in part using federal matching funds pursuant to the Colorado River Basin Salinity Control Act as set forth in 43 U.S.C. 1501 et seq., and it will provide significant local agricultural benefits, as well as provide a basis and mechanism for managing activities and agreements between PacifiCorp and Huntington - Cleveland as more fully set forth in the Joint Participation Agreement.

B. Pursuant to the terms and provisions of the Joint Participation Agreement, the respective parties’ obligations in proceeding with the Project are contingent upon entering into this Agreement that governs the parties’ rights and obligations concerning the construction, operation, funding participation, and other related aspects of the Project.

C. The terms and provisions of the Joint Participation Agreement are incorporated into this Agreement by reference and shall have legal effect thereon. To the extent there is a conflict between the terms and provisions of this Agreement and the terms and provisions of the Joint Participation Agreement, the terms and provisions of this Agreement shall be controlling, excepting the terms and provisions set forth in Articles 4 through 7 and Articles 9 through 15 of the Joint Participation Agreement shall be controlling over the terms and provisions of this Agreement.

TERMS AND CONDITIONS

ARTICLE 1. PROJECT DESCRIPTION

1.1 **Project Scope.** The Project is comprised of a network of diversion structures, pressure regulating ponds, and delivery pipelines that will be used to divert and convey irrigation water and stock water to of each shareholder of Huntington-Cleveland. The Project design includes multiple, independent irrigation zones as shown on Attachment A attached hereto and by this reference made a part hereof. Individual irrigation zones are identified and listed in section 2.6 of this Agreement. Each irrigation zone contains a pressure regulating pond and all irrigation zones will be located within the boundaries of the Huntington – Cleveland irrigation service territory.

An additional component to the Project is the installation of pressurized irrigation systems on the property of each irrigating shareholder. PacifiCorp funding will not be associated with the installation of these individual shareholder systems. For the purpose of this Agreement, the Project will be limited to that portion of the conveyance and delivery system illustrated in Attachment A.

Huntington – Cleveland will own, maintain, and operate the Project systems described herein and shall do so in accordance with applicable laws and regulations, this Agreement, as well as the terms and provisions of the Joint Participation Agreement.

1.2 **Federal Funding Structure.** A significant portion of the funding for the Project is expected to come from the federal government. Huntington – Cleveland will apply for and is anticipating approximately \$29 million of federal funding over the next five years to assist in the completion of the Project. Huntington – Cleveland is anticipating federal salinity funding to be provided by the U.S. Bureau of Reclamation (Basin Wide Salinity Control Program), the Natural Resources Conservation Service (Environmental Quality Incentives Program), and the Colorado River Basin States (Parallel Program).

1.3 **PacifiCorp Funding.** For the consideration of the benefits identified in the Joint Participation Agreement and other considerations described in this Agreement, and subject to the terms and provisions contained herein, PacifiCorp agrees to advance to Huntington – Cleveland an amount not to exceed \$19,850,000 for the sole purpose of allowing Huntington – Cleveland to supplement and/or match the federal grant money described above to construct the Project. All funds advanced to Huntington – Cleveland shall not be used for any other purpose than for construction of the Project. In no event, including but not limited to Project construction cost overruns, shall PacifiCorp be liable for any funding contributions in excess of \$19,850,000 for the Project, excepting any assessments for which PacifiCorp may be liable as a shareholder of Huntington – Cleveland.

The parties acknowledge and agree that the length of time required to complete the Project is dependent on the availability of federal funding. The parties also acknowledge

and agree that the availability of federal funding will impact PacifiCorp's rate of funding (cash flow) for Project construction. However, the parties anticipate that the Project construction will be completed within five years by December 2010. Huntington – Cleveland shall provide PacifiCorp with a Project construction schedule and any subsequent updates thereto to keep PacifiCorp informed as to the status of the construction schedule. Unless otherwise mutually agreed by the parties, PacifiCorp's funding contributions for the Project shall be limited to the following amounts in each calendar year over the anticipated construction schedule of the Project.

2006	\$5,640,000
2007	\$5,180,000
2008	\$5,245,000
2009	\$3,400,000
2010	\$385,000

Notwithstanding the timing of PacifiCorp's funding contributions to the Project as set forth above, Huntington - Cleveland may request that PacifiCorp agree to allow Huntington – Cleveland to expend up to an additional 5% of the then current annual allocated funding contribution amount if such incremental funds are necessary or desirable for the Project. Assuming PacifiCorp agrees to allow the expenditure of the incremental funds, such additional amounts shall be credited to PacifiCorp's future years funding contribution amounts and shall not increase PacifiCorp's total Project expenditure of \$19,850,000.

In the event PacifiCorp's total funding contribution amount is not expended within five years as contemplated by the parties, Huntington – Cleveland and PacifiCorp shall mutually agree to modify this Agreement for the expenditure of remaining funds within a reasonable period of time.

1.4 Huntington-Cleveland Funding. In order to assist its financial capability to fund the completion of the Project, Huntington-Cleveland will establish and maintain a loan with the Utah Division of Water Resources in the amount of at least \$6,000,000 ("UDWR loan"). Huntington-Cleveland will withdraw funds from the UDWR loan as necessary to offset federal funding deficiencies and/or cost overruns and to supplement PacifiCorp's funding contributions. Funds withdrawn by Huntington-Cleveland from the UDWR loan will only be used to advance construction of the Project, and Huntington-Cleveland will notify PacifiCorp of the amount and time funds are withdrawn. As a shareholder of Huntington – Cleveland, PacifiCorp acknowledges and agrees it may be assessed amounts related to withdrawals made under the UDWR loan, which assessments are not to be applied as a credit to PacifiCorp's funding obligation set forth in section 1.3 above.

ARTICLE 2. PROJECT CONSTRUCTION AGREEMENT TERMS

2.1 Project Design. The Project Master Plan illustrated in Attachment A may be modified from time to time as agreed upon by Huntington-Cleveland and PacifiCorp. The parties anticipate that the Project will be constructed in seven (7) separate irrigation

zones (individually and collectively referred to as an “Irrigation Zone(s)” as the context shall require) as further described herein.

2.2 Approval for Commencement of each Zone. Before initiation of the improvements necessary for each Project irrigation zone, PacifiCorp, Huntington-Cleveland and Huntington – Cleveland’s project engineer (“Project Engineer”) will conduct a Project funding and cost estimate analysis for that specific zone of the Project. Such analysis will include a review of the current and expected available federal funds and other sources of funding as well as a comparison of actual versus estimated costs of the Project to date. If a funding deficiency is identified (*e.g.*, cost overruns, decrease in expected federal funding, *etc.*) that would require additional funding to construct the necessary improvements for the completion of future Irrigation Zones, then Huntington-Cleveland shall have the option to terminate the Project or withdraw funds from the UDWR loan. Huntington – Cleveland shall have 60-days from the date such deficiency is identified to exercise the option and shall provide PacifiCorp written notice of its intention on or before the expiration of the option. Any draws from the UDWR loan shall be repaid through assessments of all Huntington-Cleveland Class A shareholders on an equal and pro-rata basis. PacifiCorp, as a Huntington-Cleveland shareholder, shall not be assessed an amount per Class A share greater than any other Class A shareholder. Huntington-Cleveland Class B shares shall be assessed an amount per share as determined by the Board of Directors. If Huntington-Cleveland chooses not to finance the deficiency and not complete construction of the Project, PacifiCorp shall have no further obligation to fund additional improvements and no further liability with respect to construction or operation of the Project; provided, however, that PacifiCorp shall have the right to complete any additional Project improvements at its sole cost and expense. If PacifiCorp chooses to complete any additional Project improvements, this Agreement shall remain effective until such time as PacifiCorp has completed such improvements, and during such time, Huntington – Cleveland shall cooperate with PacifiCorp in such effort and shall ensure all necessary shareholder approvals and access easements or agreements are obtained to allow PacifiCorp to construct such Project improvements.

2.3. Completion of Construction Zones. Once Huntington - Cleveland issues a written Notice-to-Proceed to its construction contractor for the construction of improvements within an Irrigation Zone, Huntington – Cleveland shall complete the improvements for that zone and, subject to the annual funding contribution levels set forth in section 1.3, PacifiCorp shall pay its portion of the funding for the improvements for that zone, as long as the proportionate amount of federal funding and/or Huntington-Cleveland funding is also available to complete the improvements for that zone.

2.4 Project Review and Inspection. Huntington-Cleveland, as owner and operator of the Project, has the exclusive duty to oversee all aspects of the construction, including, but not limited to, obtaining the necessary governmental permits and authorizations, rights-of-way, inspections, and all federal, state, and local requirements applicable to the Project. Huntington – Cleveland will utilize its best efforts to complete the project within the agreed upon construction schedule and within the funding parameters described in

this Agreement. Notwithstanding the foregoing, and for its sole benefit, PacifiCorp shall have the right to:

- a. Upon 24-hour written notice, inspect any and all aspects of the Project at reasonable times and shall have the right to audit all expenditures and other contract data and information pertaining to the Project, as further described in Article 4 of this Agreement. Huntington – Cleveland agrees to cooperate with any such audits, inspections and requests for information; and
- b. Upon written request, review, comment, and approve the terms and conditions of all construction contracts between Huntington - Cleveland and any contractor or subcontractor that performs any Project work to which PacifiCorp will provide funding contributions, including any change orders or supplemental modifications to agreements.

Huntington – Cleveland shall establish quality control measures to assure that its construction contractor's performance and the performance of all subcontractors are in compliance with the terms of this Agreement, the Joint Participation Agreement and all laws, regulations, ordinances and requirements applicable to the Project. The Project Engineer will submit a Project status report to PacifiCorp at a minimum of every month, or more frequently if requested by PacifiCorp. The purpose of the report is to communicate how the Project is progressing, identify key issues associated with the construction of the Project, and help assure the Project is being constructed to the accepted standards and specifications. The Project status report shall include, but not be limited to, a descriptive summary on the progress, a financial summary, a report on the current available funding, and a list of key issues affecting the Project and the intended corrective action of each issue. Daily inspection log sheets shall be maintained by the Project Engineer and shall be made available to PacifiCorp upon request.

2.5 Project Review Team. Huntington – Cleveland, PacifiCorp, the Project Engineer, and the Project construction contractor shall establish a Project Review Team to review the status of the Project on an as-needed basis but shall meet not less frequently than once a month. Project Review Team meetings shall include, but not be limited to, discussion on construction progress, actual versus forecasted costs, PacifiCorp's 12-month projected cash flow requirements, and other pertinent project monitoring data as agreed upon by Huntington – Cleveland and PacifiCorp. With respect to PacifiCorp's right to monitor, review, audit, inspect or otherwise participate as a member of the Project Review Team, Huntington – Cleveland acknowledges and agrees such rights do not create any obligation on the part of PacifiCorp to perform or otherwise exercise these rights. Further, PacifiCorp shall have no liability to Huntington – Cleveland or its shareholders for failing to advise them regarding any aspects of the Project.

2.6 Project Construction Schedule. The current project master plan calls for the construction of seven (7) Irrigation Zones. The Project will be constructed using a “phased approach”, constructing individual Irrigation Zones using the following construction schedule:

1. Richard Snowball - Elmo Zone
2. Huntington North Reservoir - Huntington Zone
3. Upper Pond - Lower Cleveland Canal Zone
4. Huntington North Reservoir – Cleveland Zone
5. Upper Pond – Cleveland South Branch Zone
6. Cottonwood and Huntington Canal Zone
7. Upper Pond – Huntington and Upper Cleveland Canal Zone

Changes to the above construction schedule of Irrigation Zones may be modified from time to time, as mutually agreed upon by the parties.

2.7 Huntington – Cleveland Project Construction Obligations. Subject to the terms of this Agreement, Huntington – Cleveland shall undertake and perform all activities and obligations necessary to construct the Project in a manner consistent with (i) all applicable laws, regulations and codes, (ii) the construction schedule as mutually agreed by parties, and (iii) Huntington – Cleveland’s obligations and responsibilities set forth in the terms and provisions of the Cooperative Agreement No. 04-FC-40-2242 by and between Huntington –Cleveland and the United States Bureau of Reclamation (“Cooperative Agreement”). In the event there is an event of termination of the Cooperative Agreement, this Agreement shall terminate subject to the provisions hereof, and PacifiCorp’s obligation to provide future funding contributions to the Project shall cease.

ARTICLE 3. PACIFICORP FUNDING ADVANCES

PacifiCorp agrees to advance to Huntington – Cleveland an amount not to exceed \$19,850,000 as matching funds for the construction of the Project. As consideration for the satisfactory performance of Huntington - Cleveland's obligations under this Agreement as it relates to a particular Irrigation Zone, PacifiCorp will advance to Huntington - Cleveland within ten (10) calendar days upon receipt of a proper invoice for construction work related to that Irrigation Zone. Huntington – Cleveland agrees to send PacifiCorp Project invoices within a reasonable timeframe from the date Huntington – Cleveland receives the Project construction contractor’s invoice. Each invoice shall meet the following requirements:

- a. Contain a signed certification from the Project Engineer that the items being invoiced are true, accurate, and complete (verification that the work has actually been done and the invoiced materials have been purchased and received by the Project construction contractor).

- b. Signed certification from Huntington-Cleveland acknowledging it has accepted the goods and services being invoiced from the Project construction contractor.
- c. A computer generated invoice on Huntington - Cleveland letterhead.
- d. Each invoice shall clearly identify the Irrigation Zone and a detailed description of each invoice item.
- e. Copies of each invoice received from the Project construction contractor must accompany each PacifiCorp invoice from Huntington - Cleveland.
- f. All invoices shall be addressed as follows:

PacifiCorp Energy – Huntington Plant
Attn: Cody Allred
P.O. Box 680
Huntington, Utah 84528

In the event that PacifiCorp reasonably determines that an invoice is materially deficient and does not meet the requirements of this section, it shall notify Huntington-Cleveland within five (5) business days of receipt in writing of the details of the deficiency. Huntington-Cleveland may submit a corrected invoice to address the deficiency.

ARTICLE 4. ACCOUNTING AND AUDITING

Huntington - Cleveland shall keep accurate and complete business and accounting records in support of all construction invoices provided to PacifiCorp for payment in accordance with generally recognized accounting principles and practices. Upon 24-hour written notice, PacifiCorp, or its audit representatives, shall have the right at any reasonable time or times to examine, audit, and copy the records, vouchers, and source documents which relate to any claim or compensation other than pricing elements which are fixed in amount by this Agreement. Huntington – Cleveland shall make such documents available for examination, audit, and copying for three (3) years after the completion or termination of this Agreement. Huntington - Cleveland shall cooperate and assist PacifiCorp in any such auditing process. PacifiCorp shall pay for the cost of such audits and examinations', including reimbursement to Huntington-Cleveland for reasonable expenses incurred in PacifiCorp's auditing process.

ARTICLE 5. DESIGNATED REPRESENTATIVE AND NOTICES

Prior to commencement of the Project, each party shall designate a representative authorized to act in its behalf and shall advise the other party in writing of the name, address, and telephone number of such designated representative, and shall inform the other party of any subsequent change in such designation. All communications relating to the day-to-day activities under this Agreement shall be exchanged between such

designated representatives. Either party may change the identity or address of its designated representative by giving the other party written notice of such change.

Any notice by either party to the other shall be delivered to the office of the designated representative of the other party, or, if deposited in the mail, properly stamped with the required postage and addressed to the office of such representative. The parties' addresses for purposes of notice shall be as set forth below:

If to PacifiCorp: <hr/> PacifiCorp Energy - Huntington Plant <hr/> P.O. Box 680 <hr/> Huntington, UT 84528 <hr/> Attn: Cody Allred <hr/> Telephone: (435) 687-4306 <hr/>	If to Huntington - Cleveland: <hr/> Huntington Cleveland Irrigation Company <hr/> P.O. Box 327 <hr/> Huntington, UT 84528 <hr/> Attn: Sherrel Ward <hr/> Telephone: (435) 687-2505 <hr/>
--	--

ARTICLE 6. INDEMNIFICATION

Huntington - Cleveland agrees to indemnify, defend, and hold PacifiCorp and its officers, directors, employees and agents (hereinafter collectively "Indemnitees") harmless against and from any and all claims, demands, suits, losses, costs and damages of every kind and description, including attorneys' fees and/or litigation expenses, brought or made against or incurred by any of the Indemnitees to the extent the same are resulting from or arising out of any negligent, unlawful, or wrongful acts of Huntington - Cleveland, its employees, agents, representatives, Project construction contractor or its subcontractors or any of their employees, agents or representatives who are not employees, agents or representatives of PacifiCorp or any affiliated entity in the performance or nonperformance of Huntington - Cleveland's obligations under this Agreement.. Huntington - Cleveland agrees that (i) to the extent it is obligated to make payments to the Indemnitees hereunder and (ii) it obtains any insurance proceeds either from its contractor or subcontractors or otherwise related directly or indirectly to the Project construction, then Huntington - Cleveland shall have such insurance proceeds paid directly to PacifiCorp to the extent of its obligation hereunder. The foregoing shall not be construed as a limitation on Huntington - Cleveland's indemnity obligation hereunder.

ARTICLE 7. INDEPENDENT CONTRACTOR

Huntington - Cleveland is an independent entity, and all persons employed or contracted by Huntington - Cleveland in connection herewith shall be employees and/or subcontractors of Huntington - Cleveland and not employees and/or contractors of PacifiCorp in any respect. Huntington - Cleveland is not an agent of PacifiCorp and shall maintain complete control over its employees and contractors.

ARTICLE 8. AS-BUILT PROJECT DRAWINGS

Huntington – Cleveland agrees to provide a complete set of “as-built” Project drawings to PacifiCorp within three (6) months of the Project completion date. The set of final drawings shall be provided to PacifiCorp in both paper and electronic format. Electronic drawings shall be submitted in the most current version of AutoCAD.

ARTICLE 9. PROJECT CHANGE APPLICATIONS

Huntington-Cleveland will file a change application (the "Utah Division of Water Rights Project Change Application") with the Utah State Engineer's Office, as required by the State Engineer. The change application shall be prepared with the assistance of a competent engineering firm. PacifiCorp shall have the right to review and, at its option, may assist in the preparation and prosecution of the Project Change Application.

ARTICLE 10. MISCELLANEOUS PROVISIONS

10.1 Governing Law. This Agreement shall be governed by the laws of the State of Utah, without giving effect to its conflict of law rules contained therein.

10.2 Venue. The parties hereby irrevocably submit to the jurisdiction of the courts of the State of Utah, located in Carbon County, Utah, and hereby waive, to the fullest extent permitted by law, any objection that it may now or hereafter have to such venue.

10.3 Assignment. Huntington - Cleveland shall not assign or transfer its rights or interest (including, without limitation, Huntington - Cleveland's right to receive any moneys due hereunder) in this Agreement without the written consent of PacifiCorp. PacifiCorp may, without obtaining Huntington - Cleveland's consent, assign PacifiCorp's interests under this Agreement to any entity in which PacifiCorp has an interest or to any entity which has an interest in PacifiCorp. After any assignment by PacifiCorp, the assignee shall possess all rights and interests of the assignor hereunder, including the right of assignment. Any assignee entity must agree in writing that it will assume all obligations under this Agreement. Any assignment or transfer in violation of this section shall be void and without force or effect.

10.4 Entire Agreement. This Agreement and the Joint Participation Agreement represent the entire and integrated agreement between PacifiCorp and Huntington – Cleveland with respect to the matters contained therein and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement and the Joint Participation Agreement may be amended only by written instrument signed by both PacifiCorp and Huntington – Cleveland.

10.5 Third Party Rights. Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either PacifiCorp or Huntington - Cleveland, provided, however, PacifiCorp is an intended third party beneficiary of Huntington – Cleveland’s construction of the Project.

10.6 Attorneys’ Fees.

- a. If a party to this Agreement commences an action or claim against the other party, whether litigation, arbitration or otherwise, respecting any dispute or claim arising out of or relating to this Agreement, each party shall be solely responsible for its own costs directly incurred related thereto and shall not have a right of contribution therefor or otherwise seek payment from the other party.
- b. Notwithstanding the foregoing, In the event Huntington – Cleveland commences an action or files a claim against PacifiCorp seeking to enforce any term or provision of this Agreement, PacifiCorp, in its capacity as a shareholder of Huntington – Cleveland, shall not be assessed any amounts or obligated to pay any amounts related to such costs otherwise chargeable to the corporation, whether directly through a special assessment or indirectly through an annual-member minimum assessment.
- c. In the event PacifiCorp commences an action or files a claim against Huntington – Cleveland seeking to enforce any term or provision of this Agreement, PacifiCorp may be assessed or otherwise obligated to pay amounts related to such attorney fees otherwise chargeable to the corporation and which is chargeable to all shareholders, whether directly through a special assessment or indirectly through an annual-member minimum assessment. In such event, PacifiCorp, as a Huntington-Cleveland shareholder, shall not be assessed an amount per Class A share greater than any other Class A shareholder. Huntington-Cleveland Class B shares shall be assessed an amount per share as determined by the Board of Directors.

10.7 Severability. In case a provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected.

10.8 Independent Contractor. The relationship of Huntington - Cleveland to PacifiCorp hereunder is that of an independent contractor. As such, Huntington – Cleveland shall have no authorization, express or implied, to bind PacifiCorp, and PacifiCorp shall have no authorization, express or implied, to bind Huntington – Cleveland to any agreement, settlement, liability or understanding whatsoever, nor is either party authorized to perform any acts for the other except as specifically set forth in this Agreement.

10.9 Authorization. The individuals executing this Agreement on behalf of PacifiCorp and Huntington – Cleveland certify that they are duly authorized to execute this Agreement on behalf of their respective organizations and all necessary actions, resolutions and authorizations have been granted or obtained. Upon execution of this Agreement, PacifiCorp and Huntington – Cleveland agree to and shall be legally bound by the terms, provisions and obligations contained herein.

10.10 Termination. As set forth in (i) section 2.2 above, in the event there is a funding deficiency relative to one or more Irrigation Zones and Huntington – Cleveland exercises its option to discontinue Project construction, or (ii) section 2.7 above, in event of default or termination under the Cooperative Agreement, this Agreement shall terminate. Upon termination, Huntington – Cleveland’s obligations (i) as provided in Article 6 (ii) to operate and maintain the constructed Irrigation Zones or other portions of the Project, and (iii) all rights and obligations of the parties as set forth in Articles 4 through 7 and Articles 9 through 15 of the Joint Participation Agreement shall survive termination hereof; provided, however, that Section 10.7 shall not be applicable to any dispute arising under the Joint Participation Agreement.

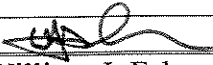

10.11 CONSEQUENTIAL DAMAGES. EXCEPT TO THE EXTENT SUCH DAMAGES ARE INCLUDED IN INDEMNIFICATION FOR THIRD PARTY DAMAGES, OR OTHER SPECIFIED MEASURE OF DAMAGES EXPRESSLY PROVIDED FOR HEREIN, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, PUNITIVE, INDIRECT, EXEMPLARY OR CONSEQUENTIAL DAMAGES, WHETHER SUCH DAMAGES ARE ALLOWED OR PROVIDED BY CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, STATUTE OR OTHERWISE.

10.12 Waiver of Jury Trial. EACH PARTY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON THIS AGREEMENT, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT AND ANY AGREEMENT EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONJUNCTION WITH THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT TO EACH OF THE PARTIES FOR ENTERING HEREINTO. EACH PARTY HEREBY WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER AGREEMENT EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONJUNCTION WITH THIS AGREEMENT, OR ANY MATTER ARISING HEREUNDER OR THEREUNDER, IN WHICH A JURY TRIAL HAS NOT OR CANNOT BE WAIVED.

10.13 Interpretation. Each term hereof shall be construed simply according to its fair meaning and not strictly for or against either party. The parties have jointly prepared this Agreement, and no term hereof shall be construed against a party on the ground that the party is the author of that provision. The Recitals contained herein are repeated verbatim and are incorporated as part of this Agreement.

10.14 Counterparts. This Agreement may be executed in one or more counterparts, which together shall constitute the Agreement.

NOW, THEREFORE, this Agreement is entered into as of the day and year first written above.

PACIFICORP ENERGY, a division of PacifiCorp, an Oregon corporation	HUNTINGTON - CLEVELAND, a non-profit mutual irrigation company
By: 	By: 
William J. Fehrman, president	Sherrel Ward, president

*AKL
M2*

ATTACHMENT A PROJECT MASTER PLAN

