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FIRST AMENDMENT TO THE GEOTHERMAL RESOURCES LEASE

THIS FIRST AMENDMENT TO THE GEOTHERMAL RESOURCES LEASE (this "First Amendment") is entered into as of the 5th day of March, 2014 (the "Execution Date") and dated to be effective as of the 7th day of August, 2013 (the "Effective Date"), by and between MURPHY-BROWN, LLC, a Delaware limited liability company, successor in interest to Circle Four LLC, with an address of 341 S. Main Street P.O. Box 100, Milford, UT ("Lessor"), and RASER POWER SYSTEMS, LLC, a Delaware limited liability company with an address of 136 S. Main Street, Suite 600, Salt Lake City, UT 84101 ("Raser Power Systems" or "Lessee"), and recites and provides as follows:

RECITALS

WHEREAS, Lessor and Raser Power Systems entered into that certain Geothermal Resources Lease dated August 7, 2008, a memorandum of which was recorded on August 19, 2008, in the office of the County Recorder for Beaver County, Utah (the "Recorder's Office"), in Book 426, Page 635 as Instrument No. 237539, a copy of which is attached hereto as Exhibit A (the "Original Lease"); and

WHEREAS, Lessor and Raser Power Systems now desire to document and confirm the ongoing business relationship between the parties with respect to the "Premises" (as defined in the Original Lease) by amending the Original Lease, subject to the modifications, terms and conditions contained in this First Amendment.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lessor and Raser Power Systems mutually agree as follows:

1. Incorporation of Recitals and Exhibits. The foregoing Recitals to this First Amendment and the exhibits attached hereto are incorporated in and made a part of this First Amendment to the same extent and with the same effect as if fully set forth herein.
2. Defined Terms. Capitalized terms used in this First Amendment that are not otherwise defined herein shall have the meanings given them in the Original Lease.
3. Original Lease. This First Amendment amends the Original Lease as follows:
 - a. Premises. Exhibit A to the Original Lease shall be, and hereby is, deleted in its entirety and replaced with the legal description of the Premises attached as Exhibit B to this First Amendment.

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b. Initial Term of the Lease. Notwithstanding anything to the contrary set forth in the Original Lease, specifically including but not limited to Section 2(a) thereof, the Initial Term is hereby modified and extended through February 28, 2019. Notwithstanding the foregoing and except as provided in Section 3(c) of this Amendment, Raser Power Systems shall not be required to make any extension or similar payment to Lessor as a result of this modification to the Initial Term. Additionally, Raser Power Systems retains the right to further extend the Initial Term for the additional five (5)-year period provided in Section 2(a) of the Original Lease, and with respect to any such extension of the Initial Term, the amount of any such extension payment referred to in Section 2(a) will be prorated according to the acreage of the Premises subject to the extension.

c. Rentals and Royalties. Notwithstanding anything to the contrary set forth in the Original Lease, specifically including, but not limited to, Section 3(a) thereof, Lessor and Raser Power Systems do hereby agree and acknowledge that Raser Power Systems shall pay Lessor the amount of Thirty One Thousand Two Hundred Fifty-One Dollars and Sixty-Nine Cents (\$31,251.69) as rental in full hereunder for a period of one (1) year from August 7, 2013 (the "Reconciliation Payment"). Lessor and Raser Power Systems further acknowledge and agree that the payment of the Reconciliation Payment by Raser Power Systems shall fully and completely satisfy any and all outstanding rental, royalty or other payment obligations of Raser Power System arising under the Original Lease and accruing through the Execution Date of this First Amendment. Payment of Annual Rent due as of August 7, 2014 for the next year of the Initial Term, and for each year thereafter for the remainder of the Initial Term, shall be calculated and made in accordance with the provisions of Section 3(a) of the Original Lease.

4. Conflicts. In the event of any conflict between the terms and conditions set forth herein and in the Original Lease, the terms and conditions of this First Amendment shall govern.

5. Ratification of Lease. Except as explicitly amended hereby, all other terms and conditions of the Original Lease remain unchanged and in full force and effect.

6. Counterparts. This First Amendment may be executed by facsimile or PDF and in as many counterparts as may be required and it shall not be necessary that the signature of, or on behalf of, each party, or that the signatures of all persons required to bind any party, appear on each counterpart; but it shall be sufficient that the signature of, or on behalf of, each party, or that the signatures of the persons required to bind any party, appear on one or more of such counterparts. All counterparts shall collectively constitute a single document.



7. Recording. The parties hereto agree and acknowledge and agree that any party hereto may record this First Amendment to the Geothermal Resources Lease or a memorandum of this First Amendment in the Recorder's Office.

**[Remainder of Page Intentionally Left Blank;
Signatures Appear on Following Pages]**

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IN WITNESS WHEREOF, Lessor and Raser Power Systems have caused this First Amendment to be executed by their respective duly authorized representatives as of the date first set forth above.

LESSOR:

CIRCLE FOUR LLC, a Delaware limited liability company

By: Dwight D Potter
Name: Dwight D. Potter
Title: General Manager

Dated the 5th day of March, 2014.

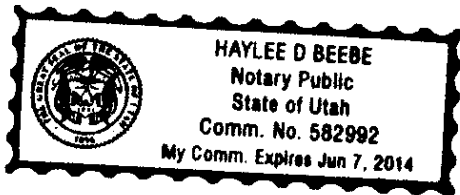
STATE OF Utah
CITY/COUNTY OF Beaver, to wit;

The foregoing instrument was acknowledged before me in the aforesaid jurisdiction this 5th day of March, 2014, by Dwight D Potter, as General Manager of the Circle Four LLC, a Delaware limited liability company, on behalf of the company.

My commission expires: Jun 7, 2014

[AFFIX NOTARY SEAL]

Haylee D Beebe
Notary Public
Registration No. 582992



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RASER POWER SYSTEMS:

RASER POWER SYSTEMS, LLC, a Delaware limited liability company

By: JL TH
Name: John Perry
Title: CFO

Dated the 5th day of March, 2014.

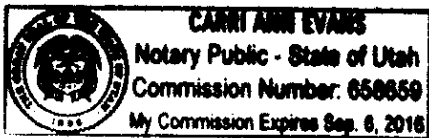
STATE OF Utah
CITY/COUNTY OF Salt Lake, to wit;

The foregoing instrument was acknowledged before me in the aforesaid jurisdiction this 5th day of March, 2014, by John Perry, as CFO of Raser Power Systems, LLC, a Delaware limited liability company, on behalf of the company.

My commission expires: 9/6/2016

[AFFIX NOTARY SEAL]

Carri Ann Evans
Notary Public
Registration No. 658659



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Exhibit A – Original Lease

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**GEOHERMAL RESOURCES LEASE
(Utah)**

THIS GEOHERMAL RESOURCES LEASE ("Lease") is made and entered into this 7th day of August, 2008, by and between CIRCLE FOUR, LLC, a Delaware limited liability company, with an address of 341 S. Main Street, P.O. Box 100, Milford, UT ("Lessor"), and RASER POWER SYSTEMS, LLC, a Delaware limited liability company, with an address of 5152 North Edgewood Dr., Ste. 375, Provo, UT 84604 ("Lessee").

1. **INTEREST GRANTED.** For good and valuable consideration, Lessor grants and leases to Lessee the exclusive right and privilege to drill for, extract, produce, remove, utilize, sell, and dispose of all forms of thermal energy and other associated geothermal resources including without limitation: (1) all products of geothermal processes, and the energy, in whatever form, including pressure, present in, resulting from, created by, or which may be extracted from that natural heat, directly or through a material medium together with indigenous steam, hot water and hot brines; (2) steam and other gases, hot water and hot brines resulting from water, gas, or other fluids naturally present in a geothermal system, or artificially introduced into subsurface formations to serve as a heat transfer medium; (3) natural heat of the earth and the energy associated with that natural heat, including pressure; and (4) all dissolved or entrained minerals, substances or by-products ("Substances") that may be obtained from the medium used to transfer that heat, but excluding oil, gas and other hydrocarbons and helium (collectively, "Geothermal Resources," which includes Substances except as necessary to separately determine royalties as provided in Section 3 herein), in, on, under, or associated with those certain parcels of property (the "Premises," which includes the underlying Geothermal Resources) described on **Exhibit A** hereto, including Geothermal Resources now owned or hereafter acquired within the Premises, together with: (a) the exclusive right to conduct geological and geophysical exploration for Geothermal Resources; (b) the right to drill, construct or erect, and to use, operate, and maintain on the Premises, together with ingress and egress thereupon, all wells, pumps, pipes, pipe lines, buildings, plants, sumps, brine pits, reservoirs, tanks, waterworks, pumping stations, roads, electric power generating plants, transmission lines, telephone lines, and such other works and structures (collectively, "Works and Structures"), and to use so much of the surface of the land as may be reasonably necessary or convenient for the exploration, development, production, utilization, transportation, and processing of Geothermal Resources or for the full enjoyment of the rights granted by this Lease; (c) the non-exclusive right to drill water wells, and the exclusive right to drill wells into Geothermal Resources that contain water, steam and brines, in accordance with Utah statutory laws and subject to Section 5 herein, within the Premises and to use the water produced therefrom for operations and activities hereunder, without charge; (d) the right, without the payment of royalties hereunder, to inject or reinject Geothermal Resources, condensates, gas, treated wastewater or other fluids (whether from the Premises or elsewhere) to the extent that such Geothermal Resources, condensates and fluids are necessary or convenient for operation under this Lease in the recovery or processing of Geothermal Resources, including to maintain or increase pressure or production or to conduct tests; and (e) the right to locate, drill, and operate a well or wells on the surface of the Premises and to directional or slant drill said well or wells into, under, across and through the Premises and into and under other lands in the vicinity of the Premises, and to construct any necessary wellhead improvements and facilities on the Premises in connection with such wells, except that

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Lessee shall have no right to construct electric power generating plants or related facilities on the Premises for production of power from Geothermal Resources produced exclusively from adjacent lands, together with the right and easement to continue to use such items, as well as rights of way and/or easements appurtenant thereto, so long as Lessee utilizes Geothermal Resources from such other land in the vicinity of the Premises, notwithstanding the expiration, termination or forfeiture of this Lease, until such use is permanently discontinued.

2. TERM.

(a) Initial Term, As Extended. This Lease shall have a term of five (5) years from the date first set forth above (the "Initial Term") and shall continue for so long thereafter as: (i) Lessee is extracting or drilling for Geothermal Resources on the Premises or lands pooled or unitized with the Premises ("Unit Area"), working with reasonable diligence, allowing not more than twelve (12) months between the completion or abandonment of one well and the commencement of drilling for the next well ("Drilling"); (ii) Geothermal Resources are being produced or generated from the Premises or Unit Area in quantities either from the Premises or Unit Area, such that the value of which, after deducting Lessor's royalty hereunder and Lessee's normal operating costs, will provide to Lessee a return of such costs ("Commercial Quantities"); (iii) reworking, redrilling, cleaning, testing, and the repair and replacement of wells and facilities for the production or use of Geothermal Resources ("Remedial Operations") are being continuously conducted, such that operations do not cease for a period of more than six (6) consecutive months on the Premises or Unit Area; (iv) Drilling, production of Commercial Quantities, or Remedial Operations are suspended or excused under the Force Majeure or other provisions of this Lease; or (v) this Lease is otherwise extended by its terms. Lessee shall have the right, at its sole discretion and so long as it is in full compliance with all materials terms of this Lease, to extend the Initial Term for an additional five (5) years by delivering a notice of its election to extend the Initial Term together with an extension payment in the amount of Sixty Thousand Dollars (\$60,000) at least ninety (90) days before the expiration of the Initial Term.

(b) Shut-In. Notwithstanding the limitation of the term of the Lease as set forth in Section 2(a) above, the Lease shall not be terminated for lack of production in Commercial Quantities after its Initial Term if Lessee shall have shut-in any or all producing wells on the Premises or any land unitized or pooled with the Premises as provided in Section 4 hereof for engineering or economic reasons sufficient in its good faith opinion to warrant such action; provided, however, that such shut-in shall only extend the term of this Lease for a period not to exceed one (1) years from the date of such shut-in, and this Lease shall thereafter expire unless continued or extended as otherwise provided in this Lease, including by production of Commercial Quantities. In the case of such shut-in, Lessee shall pay Lessor, on or before the anniversary date of the Lease, the rental set forth in Section 3(a), below, and each such payment shall maintain the Lease in force and extend the term of the Lease for an additional year.

(c) Unit Contraction. In the event this Lease is committed to a unit or other pooling arrangement under Section 4 herein, and this Lease is later removed from such unit by contraction of the unit boundaries or any participating area while the Lease is in an extended term beyond the Initial Term or within two (2) years of the end of the Initial Term, then the Initial Term of this Lease shall be extended for a period of two (2) years from the date the Lease



is removed from such unit or other pooling arrangement. In the event of an extension of the Initial Term pursuant to this subsection (c), Lessee shall pay to Lessor the Annual Rental, as described in Section 3, below, at the beginning of the extension period and at the beginning of the second year of the extension period.

3. RENTALS AND ROYALTIES.

(a) Initial Payment; Annual Rentals. On the date hereof, and subject to confirmation by Lessee of Lessor's clear title to the Premises (including Geothermal Resources), Lessee shall pay to Lessor the sum of Sixty Thousand Dollars (\$60,000) as rental in full hereunder for a period of one (1) year from the date of this Lease. On or before each anniversary date of the Lease thereafter while the Lease is in force, Lessee agrees to pay to Lessor as rental for the next ensuing year ("Annual Rental") the sum of Three Dollars (\$3.00) per acre, and as Annual Rental for each year thereafter, the sum of Three Dollars (\$3.00) per acre. For each year in which the Annual Rental is equal to Three Dollars (\$3.00) per acre, the Annual Rental rate shall increase each year at the same rate per year as the Consumer Price Index for All Urban Consumers as published by the Bureau of Labor Statistics of the United States Department of Labor (or successor index) (the "CPI-U"); provided, however, that the Annual Rental shall not increase at a rate of more than three percent (3%) in any given year. All rentals paid to Lessor under this Section shall apply toward or be credited to Production Royalties (if any) payable to Lessor under Section 3(b) for any year such rentals are paid.

(b) Production Royalties. Lessee shall pay to Lessor a royalty ("Production Royalty") out of the proceeds received by Lessee from the sale of Geothermal Resources or Substances produced from the Premises, or allocated to the Premises as provided in Section 4, as follows:

(i) Sale of Power, Substances or By-Products. If Lessee utilizes Geothermal Resources to sell electric power, Substances, or by-products of the processing or treatment of Geothermal Resources or Substances (each, a sale of "Product"), a royalty of two and one-half percent (2.5%) of the gross proceeds of the sale of said Product for the first five (5) years from the date of first sale as to each Product and three and one-half percent (3.5 %) thereafter, in each case less Deductible Costs (as defined below).

(ii) Other Commercial. If Lessee uses Geothermal Resources and/or Substances at a commercial facility other than an electric power generating facility, a royalty of ten percent (10%) of the net profits produced by such commercial operation, net profits being the proceeds generated by Lessee, less all associated costs to Lessee including but not limited to any plant, facility and/or operational costs and costs of any transmission or transportation to the point of use if used off the Premises or off of any Unit Area, as the case may be.

(iii) Internal Use. Lessee may use, free of royalty, Product developed from the Premises for all operations hereunder (or operations within any Unit established or created pursuant to Section 4 of this Lease), and Lessee shall not be required to account

to Lessor for or pay royalty on any Product reasonably lost or consumed in operations hereunder.

(iv) Deductible Costs. For purposes of this Section 3(b), "Deductible Costs" shall mean: (A) any sales, excise or other taxes imposed on the sale of any said Product, as the case may be, so sold or which are required to be included in or added to the sales price thereof or paid by the seller; (B) any cost to Lessee of any transmission or transportation to the point of sale of any of said Product so sold, if sold off the Premises or the Unit Area, as the case may be; and (C) assuming Lessee does not use electricity generated from the geothermal plant(s) for such requirements, the reasonable and standard cost of any electricity purchased by Lessee from unaffiliated third parties to operate the geothermal well field pumps or serve other parasitic loads of the geothermal gathering field or the generating plant(s).

(c) Payment. Lessee shall pay Lessor, on or before the last day of each and every calendar month, the above Production Royalties accrued and payable for the preceding calendar month ("Payment Date"), and shall deliver to Lessor a statement setting forth the basis for the determination of such royalty. Lessor agrees that the Payment Date shall be adjusted to coincide with billing procedures set forth in any applicable power purchase agreements, whether monthly, bi-monthly, quarterly, or otherwise.

(d) Other Surface Use Rentals. If Lessee exercises the directional drilling rights granted in Section 1(e), or if Lessee is using part of the surface of the Premises for unit or other operations and the Lease is terminated or surrendered (including without limitation, in the event the Lease is committed to a Unit, as defined in Section 4 of this Lease, but is later excluded from such Unit by contraction of the Unit or any participating area), Lessor shall not be entitled to any Production Royalties under Section 3(b), unless, and only to the extent that, Lessee's activity constitutes a commingling, pooling or unitization utilizing Geothermal Resources from the Premises under Section 4. In lieu of any other compensation, Lessee shall pay to Lessor an annual rental computed at the rate of Two-Hundred Dollars (\$200.00) per acre (increasing at the same rate per year from the date of this Lease as the CPI-U) for each surface acre of the Premises being occupied by Lessee and Four Dollars (\$4.00) per rod (increasing at the same rate per year from the date of this Lease as the CPI-U) for any roads, utility lines, pipelines, or other linear items associated therewith.

(e) Proportionate Reduction. If Lessor owns an interest in the Premises that is less than one hundred percent of the rights herein leased to Lessee, then the rentals, royalties and other consideration accruing hereunder shall be paid to Lessor only in the same proportions which Lessor's interest bears to a one hundred percent interest in the Premises. Notwithstanding the foregoing, should Lessor hereafter acquire any additional right, title or interest in or to the Premises, then any increase in payments of money hereunder necessitated thereby shall commence with the payment next following receipt by Lessee of satisfactory evidence of Lessor's acquisition of such additional interest.

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(f) Rights of Way on Surface Parcel.

(i) Surface Only Parcels. Subject to pending title searches, Lessor may own the surface estate only of some portions of the Premises with the mineral and/or geothermal estate reserved and owned by a third party (such parcels that are owned by Lessor as surface only are referred to herein individually as a "Surface Parcel" and collectively as the "Surface Parcels"). In connection with the development of Geothermal Resources and electricity from this Lease, from geothermal leases from such third party owning the underlying mineral or geothermal estate of such Surface Parcel, or from neighboring lands (including lands unitized with the Premises), Lessee may require surface access on, to or across one or more Surface Parcels for production wells, injection wells, power plants and related facilities, transmission lines, roads, and other surface uses deemed necessary for Lessee's operations (individually, any "Surface Parcel ROW" and collectively the "Surface Parcel ROWs"). Lessor hereby grants Lessee the right to use so much of the surface estate of one or more of the Surface Parcels as Lessee deems reasonably necessary for Surface Parcel ROWs, for the purpose of development of Geothermal Resources (or production of electricity therefrom) from the Lease, from an underlying geothermal lease on such Surface Parcel(s), or from neighboring lands (including lands unitized with all or any portion of the Lease).

(ii) Approval Process. If Lessee requires Surface Parcel ROWs, Lessee shall provide Lessor, in writing, notification of the approximate proposed location and a description of the required surface uses. Within thirty (30) days of such written notice, Lessor and Lessee shall discuss the location of the necessary Surface Parcel ROWs, in an attempt to locate such Surface Parcel ROWs in locations that reasonably minimize the impact to the current surface uses of Lessor. Lessor's consent to the location of any such Surface Parcel ROWs shall not be unreasonably withheld or delayed. The parties acknowledge and agree that Surface Parcel ROWs pertaining to exploration, production and injection wells, or surface uses appurtenant thereto, shall be located in areas that will maximize recovery and efficient use and transportation of Geothermal Resources. Lessor and Lessee agree to meet on the Premises, at the request of either party, in connection with the location of Surface Parcel ROWs, to discuss such locations. The Surface Parcel ROWs, once identified, shall continue for so long as the Lessee is using such Surface Parcel ROWs for Lessee's operations on the Premises or on neighboring lands, and shall survive the termination of this Lease as long as such rights-of-ways are being used by Lessee for operations on other lands (or for a mineral lease underlying such Surface Parcel).

(iii) Recorded ROWs. Once Surface Parcel ROWs have been identified and surveyed for a precise legal description, Lessor and Lessee shall execute written rights-of-way, in form sufficient for recording in the applicable County Recorder's Office, that conclusively identify the Surface Parcel ROWs.

(iv) Compensation. As consideration for Surface Parcel ROWs, Lessee shall pay to Lessor an annual rental computed at the rate of Four-Hundred Dollars (\$400.00) per acre (increasing at the same rate per year from the date of this Lease as the CPI-U) for

each surface acre covered by Surface Parcel ROWs and Six Dollars (\$6.00) per rod (increasing at the same rate per year from the date of this Lease as the CPI-U) for any roads, utility lines, pipelines, or other linear items associated therewith. If at any time the Lease terminates, but Lessee still requires the use of any Surface Parcel ROWs, the Lessee shall pay to Lessor as compensation for the continued use of such Surface Parcel ROWs the compensation set forth in Section 3(d) above. Within thirty (30) days of the termination of the Lease, Lessee shall provide Lessor with written notice of any Surface Parcel ROWs that Lessee shall continue to use and the required compensation described in Section 3(d). In addition to

- a. In addition to any compensation for surface uses provided for above and any Annual Rentals, if Lessee drills a geothermal well or wells on property to which Lessor does not hold the geothermal rights, Lessee shall pay to Lessor as a surface rental for such well or wells, the sum of Twenty Thousand Dollars (\$20,000) per well prior to commencement of drilling operations.

4. POOLING, UNITIZATION, AND COMMINGLING.

(a) Pooling and Unitization. Lessee has the right, with the prior written consent of Lessor, which consent shall not be unreasonably withheld, delayed or conditioned, to pool, unitize, or otherwise combine ("Unitization") all or part of the Premises into a unit (whether a federal, state, or a voluntary contractual unit) with any other land or lands (whether held by Lessee or others), adjacent to, adjoining or in the immediate vicinity of the Premises, which Lessee desires to develop or operate (singly or in combination with others) as a unit ("Unit"). The execution by Lessee of any Unit agreement, Unit operating agreement or other documents necessary to such Unitization shall be binding on the Premises and Lessor's current and future interests therein. Any well (whether or not Lessee's well) commenced, drilled, drilling and/or producing or being capable of producing in any part of such Unit shall for all purposes of this Lease be deemed a well commenced, drilled, drilling and/or producing on the Premises. Production as to which a royalty is payable from any such well or wells drilled upon any such Unit, whether located on the Premises or on other lands within the Unit, shall be allocated to the Premises in the proportion that the acreage of the Premises in such Unit bears to the total acreage of such Unit (or participating area of a Unit). Lessor hereby grants Lessee the right to the use of the surface of the Premises in support of Unit operations, including all the surface uses enumerated in Section 1 above. In the event the Premises, or any portion thereof, are later removed from any Unit by any contraction of the Unit Area, all existing surface uses of the Premises in support of Unit operations shall continue in force and effect, and Lessor agrees to provide Lessee or the Unit operator with written easements, rights-of-way, licenses or such other acceptable surface use grants, in recordable form, to evidence such existing surface uses in support of Unit operations.

(b) Commingling. Lessee shall have the right to commingle (for purposes of storing, transporting, handling, unitizing, selling or processing) Geothermal Resources produced or extracted from the Premises or the Unit Area with similar substances produced or extracted from other lands within any Unit formed under Section 4(a) above. In the event of such commingling,

Lessee shall meter, gauge, or measure, according to prevalent industry standards, the production or extraction from the Premises at the well head, or from the Unit or Units including the Premises, as applicable, and compute and pay Lessor's proportionate royalty attributable to the Premises on the proportionate basis that such production contributes to a plant that takes Geothermal Resources from multiple sources.

(c) Modification of Unit. Lessee shall have the right at any time or times to decrease the size of any Unit, and the right with Lessor's prior written consent, which consent shall not be unreasonably withheld, delayed or conditioned, to increase the size of any Unit. Any change in the amount of Lessor's royalties resulting from the Unitization of all or part of the Premises or an increase or decrease in the amount of the Premises in a Unit shall not be retroactive.

(d) Unit Taxes. If any taxes of any kind are levied or assessed (other than taxes on the land as such or any rights thereto not covered by the Lease), any portion of which is chargeable to Lessor under Paragraph 10 hereof, then the share of such taxes to be borne by Lessor as provided in this Lease shall be in proportion to the share of the royalty from such Unit allocated to the Premises.

(e) Termination of Unit. Lessee may, at its sole option, at any time when there is no production in a Unit of Geothermal Resources in quantities deemed paying by Lessee, terminate such Unit by a written declaration, in the manner in which it was created. In the event of such termination, Lessee shall notify Lessor within thirty (30) days of the termination of such Unit.

5. LESSEE OPERATIONS AND PROTECTION OF LESSOR OPERATIONS.

(a) Notice of Commencement. Prior to the commencement of any operations on the Premises, Lessee shall inform Lessor of the commencement of such operations (either orally, under the notice provisions hereof, or otherwise) with the approximate date of such commencement and the location of same; such notice to be given within a reasonable time prior to the commencement of such operations.

(b) Operating Standards. All operations and acts of Lessee upon the Premises shall be performed in a good, safe and workmanlike manner and in accordance with recognized good operating, engineering and industry standards and practices. All operating sites shall be kept neat, clean and safe and operations shall be conducted so as to eliminate, so far as practicable, dust, noise and noxious odors.

(c) Protection of Lessor. Lessee agrees to use reasonable care at all times to prevent injury or damage to cattle, crops, livestock, buildings, fences, water rights, water diversion works, ditches, tanks, water wells or other property of Lessor located on the Premises; and Lessee agrees to repair, mitigate or pay Lessor the fair market value (as determined by an independent third-party appraiser) for all damages to cattle, crops, buildings, livestock, fences, water rights, water diversion works, ditches, tanks, water wells and other property of Lessor situated on the Premises resulting from Lessee's operations on the Premises.

(d) Compliance with Laws. Lessee shall comply with all laws and regulations applicable to its operations and activities hereunder.

(e) Use of Geothermal Resources. If Lessee constructs on the Premises a plant for the conversion of Geothermal Resources into electricity, heat, power or another form of energy or for the extraction and processing of by-products, or both, and if any such plant utilizes Geothermal Resources produced or obtained from the Premises and from other land in the vicinity of the Premises, Lessee shall have the right and easement to continue to maintain and operate such plant and connected pipelines, transmission lines and other associated facilities so long as it utilizes Geothermal Resources from other land notwithstanding any cessation of production from the Premises or the expiration, termination or forfeiture of the Lease. In such event, Lessee shall annually pay Lessor the fair rental value per year (as determined by an independent third-party appraiser) of the area so occupied.

(f) Order of Work. Any work or drilling operations preliminary to drilling in the ground or reworking operations may be undertaken in any order Lessee shall see fit. All such work and operations shall be prosecuted with reasonable diligence.

(g) Protection of Water. No well products or surface materials or refuse of any kind shall be allowed to deposit upon, pass into or otherwise enter or degrade or pollute the waters or the water supply of Lessor or others. All drilling fluids, well products and other substances, the spillage of which would contaminate or otherwise adversely affect the productivity of any portion of the Premises not actually occupied or used by Lessee, or which would adversely affect the waters or the water supply of Lessor or others, shall be removed by Lessee in such manner and to such place or places as to insure that such contamination or adverse effect does not occur.

(h) Lessor's Use of Premises. Subject to subsection 5(i) below, Lessor expressly reserves all rights to use the Premises (excluding any Geothermal Resources) for purposes not granted to Lessee, including the installation and operation of animal husbandry facilities, to the extent that the lawful exercise of such reserved rights does not materially interfere with the extraction of Geothermal Resources or other allowed uses of the Premises granted to Lessee herein. Lessor will give sixty (60) days' prior written notice to Lessee of any intended and new material use or development of the Premises. If Lessee believes that interference with Lessee's use of such Premises will result from the proposed use of the Premises by Lessor or its designees, Lessor will take all steps reasonably necessary to ensure the compatibility of Lessor's intended use with Lessee's use of such property. Lessee shall have no liability for costs associated with any use of the Premises by Lessor pursuant to the rights reserved or not granted herein.

(i) Interference. Lessor and Lessee will each use good faith, commercially reasonable efforts to avoid or minimize material interference with each party's respective operations on the Premises.

6. DEFAULT AND TERMINATION; SURRENDER.



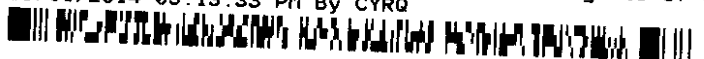
(a) Breach by Lessee. If Lessee shall fail to pay any installment of royalty or rental when due and if such default shall continue for a period of ten (10) days after receipt by Lessee of written notice thereof from Lessor to Lessee, then at the option of Lessor the Lease shall terminate as to any portions thereof or any interests therein as to which Lessee is in default; provided, however, that if there be a bona fide dispute as to the amount due and all undisputed amounts are paid, said ten-day (10) period shall be extended until ten (10) days after such dispute is settled by final court decree, arbitration or agreement. If Lessee shall be in default in the performance of any obligations under the Lease other than the payment of rental or royalty, and if for a period of thirty (30) days after receipt of written notice by Lessee of such default Lessee shall fail to commence and thereafter diligently and in good faith prosecute action to remedy such default, Lessor may terminate the Lease. Disputes or differences between Lessor and Lessee shall not interrupt performance or the continuation of Lessee's operations hereunder. In the event of any dispute or difference, such operations shall be continued in the same manner as prior to such dispute or difference until the matters in dispute have been fully and finally resolved by settlement, judicial decree or other final resolution and thereupon such payments or restrictions shall be made as may be required under the terms of the settlement or resolution of the dispute.

(b) Surrender. Lessee may, at any time, surrender the Lease to Lessor in its entirety or, from time to time, surrender only so much of the Premises as Lessee may elect in the instrument of surrender by executing and delivering to the Lessor and recording in the Official Records of Iron County, Utah or Beaver County, Utah in which the Premises are located a quitclaim deed or deeds covering all or any part of the Premises so selected by Lessee for surrender and Lessee shall thereby be relieved of all obligations as to the acreage so surrendered, except for obligations already accrued by the terms hereof or as provided by Section 11 hereof. Notwithstanding such surrender, Lessee shall nevertheless retain such rights-of-way, easements and privileges over, upon, through and across the lands so surrendered as shall be necessary or convenient for Lessee's operations on so much of the Premises as shall then be retained by Lessee under the Lease and on Lessee's other lands in the vicinity. In such event, Lessee shall annually pay Lessor the fair rental value per year (as determined by an independent third-party appraiser) of such rights-of-way, easements and privileges.

(c) Ongoing Obligations. Further, upon the expiration of the Lease or its earlier termination under the provisions herein, Lessee shall remain obligated to Lessor (a) for any royalties or other payments accrued and unpaid, (b) for uncompleted acts Lessee was obligated to complete prior to such expiration or termination, (c) for any damage to Lessor or the Premises resulting from any breach of this Lease by Lessee, (d) for any liens, charges or encumbrances to which the Premises may have become subject by reason of the acts or omissions of Lessee, and (e) for all obligations which by their terms survive the termination or surrender of this Lease.

7. ASSIGNMENTS, SUBLEASES, DIVIDED INTERESTS.

(a) Assignment. Lessee shall not directly or indirectly assign all or any part of its rights or interest in and to the Lease, including but not limited to Lessee's right to occupy such portions of the surface of the Premises as may be necessary for the construction of plants and other facilities, to any person without the prior written consent of Lessor, which consent shall not



be unreasonably withheld, conditioned or delayed, provided that the proposed transferee has the financial resources and technical expertise to discharge the duties and obligations of Lessee; *provided, however*, that Lessee shall have the absolute right to assign this Lease, in whole or in part, to any of its subsidiaries for the purpose of securing project financing or tax-equity financing, so long as Lessee provides a notice of such assignment to Lessor. Lessor shall have the absolute right to sell or assign its interest or right in and to this Lease and the Premises without the prior written consent of Lessee.

(b) Notice of Assignment. No assignment by either party hereunder shall be effective for any purpose whatsoever until and unless a certified or conformed copy of the recorded instrument of assignment shall be given to the other party, in the same manner as is provided for a notice hereunder. In the event of assignment by the Lessee of the Lease as to a segregated portion of the Premises, payments due the Lessor hereunder shall be apportionable among the several leasehold owners according to the surface area of each of their respective leaseholds, and default in such payment by one or more of such leasehold owners shall in no way affect the right of any other leasehold owner hereunder.

8. FORCE MAJEURE. Lessee's obligations hereunder, save and except payment of annual rentals set forth in Section 2(c) above, shall be suspended, and, if such suspension is after the Initial Term, the term of this Lease and the period for removal of Lessee's property in the event of termination shall be extended while Lessee is prevented from complying therewith by: strikes; lockouts; riots; action of the elements, including but not limited to fire, explosion, flood, volcanic activity, or earthquakes; accidents; delays in transportation; inability to secure labor or materials in the open market; laws, rules or regulations of any Federal, State, County, Municipal or other governmental agency, authority or representative having jurisdiction, including failure or delay in issuance of necessary permits or approvals; war (whether declared or undeclared, including terrorist acts); acts of God; litigation or administrative proceedings affecting title to lands covered hereby or operations thereon; or by other matters or conditions beyond the reasonable control of Lessee, whether or not similar to the conditions or matters in this Section specifically enumerated ("Force Majeure").

9. NOTICES. The parties shall give written notices hereunder by mailing the same by prepaid registered or certified mail addressed to the opposing party's address, as set forth in the introductory paragraph hereto. Either party may change its address by written notice to the other. In case of any notice or document delivered by registered or certified mail, the same shall be deemed delivered when deposited in any U.S. Post Office, properly addressed as herein provided, with postage fully prepaid. Lessee may make any payment due Lessor to Lessor personally or by mail at the address of Lessor given above.

10. TAXES. Lessee shall pay all taxes levied and assessed against Lessee's leasehold interest in the Premises. Lessee shall pay all taxes levied and assessed against all structures, improvements and personal property placed upon the Premises by Lessee and all taxes attributable to any increase in the assessed value of the Premises attributable to the activities or operations of Lessee or the discovery or production of Geothermal Resources. Lessee shall have the right to contest by administrative or legal proceedings the validity or amount of any assessment or tax for which Lessee is responsible hereunder and Lessor agrees to cooperate with



Lessee in connection with such contest. All costs and expenses of any such contest shall be borne by Lessee. Lessor shall pay all taxes levied and assessed against the Premises as such except to the extent of any increased taxes thereon borne by Lessee as provided in the preceding sentence and against any rights thereto not covered by the Lease and shall pay all taxes levied and assessed against all structures and improvements placed on the Premises by Lessor. Each party shall pay all of its tax obligations within thirty (30) days of when due and shall provide the other party, upon request, with evidence of such payment. In the event Lessor fails to pay its tax obligations on the Premises, Lessor grants Lessee the right, but not the obligation, to pay any of Lessor's tax obligations hereunder, and to offset the amount of such payments made on Lessor's behalf against any amounts due to Lessor under this Lease, with interest at twelve percent (12.0%) per annum.

11. REMOVAL OF LESSEE'S PROPERTY.

(a) During Term of Lease. Lessee may at any time during the term of the Lease remove all or any of the property and fixtures placed by it in or upon the Premises, including all casing.

(b) Termination or Abandonment. Subject to Section 5(g), following termination of this Lease or any part thereof for any cause, and following abandonment of any well drilled pursuant to the provisions hereof, Lessee shall within six (6) months remove all structures, buildings, improvements, fixtures, and personal property which Lessee shall have brought upon the Premises affected by such termination or upon the drillsite of such abandoned well; shall fill all sumps, remove all foundations and so nearly as practicable restore the areas affected by such termination or abandonment to the condition in which they were prior to the commencement of its operations hereunder; and, in the case of termination, shall deliver to Lessor a quitclaim deed, in recordable form, surrendering to Lessor all right, title and interest of Lessee in that part of the Premises as to which the Lease shall have been so terminated, saving and excepting necessary easements and rights of way on the Premises for Lessee's further operations on any part of the Premises as to which the Lease shall not have been terminated and on Lessee's other lands in the vicinity. The ownership of any of Lessee's property not removed by it during the period herein provided shall, in the absence of Force Majeure, be deemed abandoned by Lessee and shall pass to Lessor without further act of the parties or either of them effective upon expiration of such period, provided, however, that Lessee shall remain liable to Lessor for any such property which Lessee fails to remove upon notice by Lessor within said six (6) month period that such property be removed.

12. INSPECTION RIGHTS/BOOKS AND RECORDS.

(a) Operations. Lessor, or its agents, may at reasonable times, but at their sole risk and expense, examine the workings, installations, structures and operations of Lessee upon the Premises but shall do so in such manner as not to unreasonably interfere with Lessee's operations.

(b) Books and Records. Lessee shall keep full and correct copies of its books and records with respect to all matters relevant to the royalty and other rights of Lessor hereunder



and Lessor or its agents may, upon reasonable notice and at reasonable times, but at Lessor's sole risk and expense, inspect and copy the same and interview Lessee's employees in connection therewith. This Section 12 shall survive termination of this Lease for a period of two (2) years following termination of this Lease.

13. INDEMNITY.

(a) Liens, Charges and Liability. All of the labor to be performed and all of the materials to be furnished in the operations of Lessee hereunder and all liabilities and obligations incurred in any manner in or in connection with Lessee's acts and operations on or with respect to the Premises shall be at Lessee's sole cost and expense, and Lessor shall not be chargeable with or liable for any part thereof. Lessee shall protect the Premises against liens of any and every kind or character arising or which might arise from its operations, acts or failure to act on or with respect to the Premises, provided Lessee shall have the right to contest and defend against such liens by appropriate legal proceedings and Lessor agrees to cooperate with Lessee in connection with such matters. All costs and expenses of such contest and defense shall be borne by Lessee. Lessee hereby indemnifies Lessor against and agrees to defend and hold it and the Premises free of and harmless from any and all liens, charges and liability arising by reason of the operations, acts or omissions of Lessee or its employees or agents. This Section shall survive termination or surrender of the Lease.

(b) Indemnity. Lessee shall protect Lessor and the Premises against damages of every kind and character which may be occasioned to any person or to the property of any person or to the general public or environment or air or water by reason of the operations, acts or omissions of Lessee or its employees or agents and hereby indemnifies Lessor and the Premises against and agrees to hold it free of and harmless from any and all claims, demands judgments, suits or liability for such damages. This Section shall survive termination or surrender of the Lease.

14. LESSEE INSURANCE. Prior to commencing any activities on the Premises, Lessee at its own cost and expense will obtain and maintain and comply with the following insurance requirements throughout the Initial Term and any extensions thereof:

(a) General Liability. Lessee shall obtain and maintain, from an insurance company or companies and in a form acceptable to Lessor, a policy or policies of commercial general liability insurance, or its equivalent, covering all of Lessee's activities and operations on the Premises or that in any way may be the source of any liability claim against Lessor. Such policy or policies shall provide protection against liability for bodily injury and death and for damage to property. Liability coverage shall provide at least Two Million Dollars (\$2,000,000.00) in any one occurrence, with an annual aggregate limit of at least Two Million Dollars (\$2,000,000.00), or such greater amount as Lessor shall determine to be commercially reasonable for the activities and risk associated with Lessee's use of the Premises. Lessee shall have Lessor named as an additional insured on each such policy, or as an insured indemnitee, or provide contractual liability endorsement in favor of and satisfactory to Lessor.

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(b) Property Coverage for Lessee's Works and Structures. Lessee shall maintain commercially adequate property insurance for damage or destruction to its Works and Structures situated on the Premises.

(c) Worker's Compensation. Lessee shall maintain any required workers' compensation insurance protecting against liability to each of its employees regarding Lessee's operations under this Lease. Employer liability coverage under workers' compensation shall be at least Five Hundred Thousand Dollars (\$500,000) in all areas in which workers' compensation insurance provides coverage.

(d) Auto and Truck Insurance. Lessee shall obtain vehicle insurance on all vehicles used on the Premises. This insurance coverage shall include liability coverage of at least One Million Dollars (\$1,000,000).

(e) Evidence of Insurance. Lessee shall provide to Lessor, upon request, evidence of all insurance policies (or self-insurance plans) required under this agreement. Such insurance policies shall provide for thirty (30) days written notice to Lessor prior to cancellation of any coverage required herein, unless a shorter notice period is approved in writing by Lessor. Lessor will consider in good faith, and will not unreasonably withhold its consent to, any request by Lessee to self-insure any of the required coverages upon a showing by Lessee of the legality of self-insurance and sufficient financial resources to support a self-insurance program.

(f) Failure to Obtain Required Insurance. Failure to obtain satisfactory insurance and proof of insurance, or to provide self-insurance and evidence thereof, shall constitute a default under this Lease. If Lessee fails to obtain any types or amounts of insurance required under this Lease, Lessor shall have the right, but shall not be obligated, to immediately obtain such insurance and keep the same in effect. In such an event, Lessee shall pay Lessor the premium costs of such insurance and any other actual costs incurred by Lessor in obtaining such insurance within ten (10) days after demand.

(g) Increase in Insurance Limits. Lessor may require by written notice an increase in the insurance limits specified in this Section 14 based on inflation or commercial adequacy.

15. FEES AND BONDS. Lessee shall at its sole cost and expense and without recourse against Lessor:

(a) Fees. Pay all fees and other charges payable by either Lessee or Lessor to the State of Utah or any agency thereof or to any other governmental entity or agency thereof, for or with respect to or in connection with or for the supervision of or official action with respect to the drilling, redrilling, deepening, operation or abandonment of each well on the Premises; and

(b) Bonds. Obtain insuring bonds or agreements, legally sufficient as to issuer, amount, coverage and terms, as are required by the State of Utah or any agency thereof or by any other governmental entity or agency thereof to be filed or deposited by either Lessee or Lessor for or with respect to or in connection with or for the supervision of or official action with respect to the drilling, redrilling, deepening operation or abandonment of any well on the Premises or the drilling or other operations of Lessee on or with respect to the Premises, and for



the permitting, licensing, siting, construction, operation and maintenance of electric power plants and associated lines, wires, pipelines and equipment.

16. ENVIRONMENTAL, BIO-SECURITY, RECLAMATION AND RESTORATION MATTERS.

(a) Environmental Matters.

(i) Definitions. As used in this Lease, "Applicable Environmental Laws" means any applicable Federal, state, or local government law (including common law), statute, rule, regulation, ordinance, permit, license, requirement, agreement or order relating to pollution, contamination, clean-up or protection of the environment, ecology, natural resources, or public health or safety, including, without limitation, the *Resource Conservation and Recovery Act* (42 U.S.C. § 6901, *et seq.*), the *Clean Air Act* (42 U.S.C. § 7401, *et seq.*), the *Federal Water Pollution Control Act* (33 U.S.C. § 1251, *et seq.*), the *Emergency Planning and Community Right to Know Act* (42 U.S.C. § 11001, *et seq.*), the *Comprehensive Environmental Response, Compensation and Liability Act* (42 U.S.C. § 9601, *et seq.*), the *Toxic Substances Control Act* (15 U.S.C. § 2601, *et seq.*), the *Oil Pollution Control Act* (33 U.S.C. § 2701, *et seq.*), the *Hazardous Materials Transportation Act* (49 U.S.C. § 5101 *et seq.*), the *Safe Drinking Water Act* (42 U.S.C. § 300f *et seq.*), and all amendments thereto.

As used in this Lease, "Hazardous Materials" means any material, waste, chemical, mixture, substance or by-product which: (A) is or is subsequently defined, listed, or designated under any of the Applicable Environmental Laws as a pollutant, as a contaminant, or as toxic or hazardous; or (B) is harmful to or threatens to harm public health, safety, ecology, or the environment and which is or hereafter becomes subject to regulation by any federal, state or local governmental authority or agency.

(ii) Lessee Hazardous Material Activities. Lessee shall limit any use, generation, storage, treatment, transportation, and handling of Hazardous Materials in connection with Lessee's use of the Premises (collectively "Lessee Hazardous Materials Activities") to those Hazardous Materials that are necessary to perform activities permitted under this Lease. Lessee Hazardous Materials Activities include, without limitation, all such activities on or about the Premises by Lessee, and Lessee's employees, partners, agents, invitees, contractors and their subcontractors. Lessee shall not cause or permit any Hazardous Materials to be disposed of or abandoned at the Premises. Lessee shall cause all Lessee Hazardous Materials Activities to be performed in strict conformance to Applicable Environmental Laws. Lessee shall promptly notify Lessor of any actual or claimed violation of Applicable Environmental Laws in connection with Lessee Hazardous Materials Activities, and Lessee shall promptly and thoroughly cure any violation of Applicable Environmental Laws in connection with Lessee Hazardous Materials Activities. If any governmental approval, consent, license or permit is required under Applicable Environmental Laws for Lessee to perform any portion of its work at the Premises, including without limitation any air emission permits, before commencing any such work, Lessee shall be solely responsible, at Lessee's expense, for obtaining and

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maintaining, and providing copies of, each approval, consent, license or permit. All Lessee Hazardous Materials Activities shall be performed by qualified personnel who have received proper training with respect to Hazardous Materials, including compliance with applicable OSHA laws and regulations. Lessee agrees that neither its use of the Premises nor Lessee Hazardous Materials Activities shall result in contamination of the environment.

(iii) Spills of Hazardous Materials. Lessee shall promptly notify Lessor and each governmental regulatory entity with jurisdiction of any spills, releases, or leaks of Hazardous Materials that occur in connection with Lessee's use of the Premises, including but not limited to any resulting contamination of the environment (collectively, "Contamination"). Lessee further shall promptly notify Lessor of any claims of which Lessee becomes aware regarding any actual or alleged Contamination. Lessee shall be solely responsible at its expense for promptly, diligently and thoroughly investigating, monitoring, reporting on, responding to, and cleaning up to completion any and all such Contamination, in full conformance to Applicable Environmental Laws.

(iv) Removal of Stored Hazardous Materials. Before the expiration or termination of this Lease, and notwithstanding any other provision of this Lease, and in full conformance to Applicable Environmental Laws, Lessee shall: (A) cause to be properly removed from the Premises all Hazardous Materials stored at the Premises in connection with Lessee's use of the Premises or in connection with Lessee Hazardous Materials Activities; and (ii) cause to be properly dismantled, closed and removed from the Premises all devices, drums, equipment and containments used for handling, storing or treating Hazardous Materials.

(v) Lessee's Environmental Representations, Warranties and Indemnification. Lessee represents and warrants to Lessor that Lessee's use of the Premises will be in full compliance with all Applicable Environmental Laws, including but not limited to environmental laws pertaining to Hazardous Materials. Lessee agrees to hold harmless, indemnify and defend Lessor, its officers, directors, members, employees, parents, subsidiaries, affiliates, and each of them from and against any claim, demand, penalty, fee, lien, damage, loss, expense or liability resulting from: (A) any material breach of the representations or warranties made by it in this Section 16, including attorney fees and costs of, or in preparation for, any administrative or judicial proceeding or appeal review; and (B) the contamination by Hazardous Materials of the Premises or other properties directly or indirectly resulting from any of Lessee's activities on the Premises. This Section 16 shall survive termination or surrender of the Lease.

(b) Bio-Security and Animal Welfare. Lessee shall cause its personnel entering any animal husbandry facility built on the Premises or bringing a vehicle within fifty yards of such facility to comply with Lessor's Bio-Security Management System and Animal Welfare System Requirements, each as currently in effect, or as supplemented or changed from time to time (copies of which shall promptly be provided to Lessee). Lessor shall be entitled to immediately prevent any officers, employees, agents, subcontractors, or others, as well as any equipment,



materials, tools, or any other substance or item from entering or approaching any of Lessor's facilities if such entry would breach Lessor's bio-security or animal welfare protocols.

(c) Protection of Property. In the event any buildings or personal property shall be damaged, destroyed or required to be removed because of Lessee's operations on the Premises, Lessee shall be liable for payment of the reasonable value thereof. Upon plugging and abandonment of any well drilled on the Premises, Lessee shall level land, fill all sump holes and excavations and shall remove all debris and shall leave the location of such well in a clean and sanitary condition. Lessee in its operations on the Premises shall at all times have due and proper regard for the rights and convenience and the health welfare and safety of Lessor. Any wells drilled by Lessee hereunder shall be drilled in a manner so as to not affect any water well of Lessor on the Premises and such wells shall be drilled by Lessee so as to seal off and protect Lessor's surface waters and domestic and irrigation well waters.

(d) Reclamation and Restoration. Lessee shall perform all reclamation and restoration of the Premises required by local, state and federal laws and regulations as a result of Lessee's activities or operations on the Premises and this obligation shall survive the termination or surrender of this Lease to the extent that any such reclamation and restoration obligations have not been completed on the date of termination or surrender.

17. MISCELLANEOUS PROVISIONS.

(a) Successors and Assigns. This Lease shall inure to the benefit of and be binding upon the parties hereto, their respective heirs, executors, administrators, successors, and assigns.

(b) Governing Law. The terms and provisions of this Lease shall be interpreted in accordance with the laws of the State of Utah, without giving effect to its principles of conflicts of laws.

(c) Whole Agreement. This Lease terminates and replaces all prior agreements, either written, oral, or implied, between the parties hereto and constitutes the entire agreement between the parties.

(d) Severability. In the event any part or portion or provision of this instrument shall be found or declared to be null, void, or unenforceable for any reason whatsoever by any court of competent jurisdiction or any governmental agency having authority thereover, then and in such event only such part, portion or provision shall be affected thereby, and such finding, ruling or decision shall not in any way affect the remainder of this instrument or any of the other terms or conditions hereof, which said remaining terms and conditions shall remain binding, valid, and subsisting and in full force and effect between the parties hereto, it being specifically understood and agreed that the provisions hereof are severable for the purposes of the provisions of this clause.

(e) Counterparts. This Lease may be executed in any number of counterparts and all such counterparts shall be deemed to constitute a single Lease and the execution of one



counterpart by any party shall have the same force and effect as if such party had signed all the other counterparts.

(f) Discharge of Obligations. Lessor further agrees that Lessee at its option may pay and discharge any delinquent taxes, mortgages, trust deeds or other delinquent liens or encumbrances existing, levied or assessed on or against the Premises; and, in the event Lessee shall exercise such option, Lessee shall be subrogated to the rights of any holder or holders thereof and shall have the right, in addition to other remedies provided by law or equity, to reimburse itself by applying to the discharge of any such mortgage, tax or other lien or encumbrances any and all payments accruing to Lessor hereunder

(g) Cooperation. The parties agree to cooperate in the execution of any other documentation necessary to carry out the intent and terms of this Lease.


(h) Confidentiality. Lessor agrees to keep confidential, and not disclose to any third party, the amount of any royalties, rentals or other consideration provided by Lessee to Lessor under this Lease.

(i) Certification. Lessor shall, without charge at any time and from time to time, within ten (10) days after request by Lessee, certify to by written instrument, duly executed and acknowledged, and deliver same to Lessee or any other party or parties designated by Lessee: (A) that the Lease is in full force and effect, (B) whether Lessee is in default under the Lease, (C) that Lessor will afford any party holding a security interest in the Lease all opportunities available to Lessee to cure any defaults under the Lease prior to any termination of the Lease, and (D) such other reasonable assurances and information as Lessee, or its lender(s), may request.

(j) Recording. Lessor and Lessee agree to execute and record a Memorandum of Lease for the purpose of recording the same in the real property records of the county or counties where the Premises are located, so as to give public notice, pursuant to the laws of the State of Utah, of the existence of this Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

LESSOR: CIRCLE FOUR, LLC

By: 
Its: General Manager

LESSEE: RASER POWER SYSTEMS,


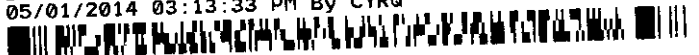
LLC
By: 
Its: CEO



EXHIBIT A

That certain real property located in Iron County, Utah and more particularly described as follows:

<u>LOCATION</u>	<u>ACRES</u>
BEAVER COUNTY:	
NE1/4 SW 1/4 Sec. 24, Twp. 29 S., R. 11 W., SLB&M	40.00
W1/2 Sec. 27, Twp. 29 S., R. 11 W., SLB&M	320.00
N1/2 N1/2 Sec. 28, Twp. 29 S., R. 11 W., SLB&M	160.00
S1/2 N1/2 Sec. 28, Twp. 29 S., R. 11 W., SLB&M	160.00
S1/2 Sec. 28, Twp. 29 S., R. 11 W., SLB&M Less 2750-A (County Road)	310.00
W1/2 Sec. 33, Twp. 29 S., R. 11 W. SLB&M Less 2755-A	319.41
NE1/4 NW1/4 Sec. 34, Twp. 29 S., R. 11 W., SLB&M	40.00
N1/2; SW1/4 Sec. 2, Twp 30 S., R. 11 W. SLB&M	488.20
S1/2 Sec. 3, Twp. 30 S., R. 11 W., SLB&M	320.00
S1/2 Sec. 4, Twp. 30 S., R. 11 W. SLB&M	320.00
SE1/4 Sec. 5, Twp. 30 S., R. 11 W. SLB&M	160.00
NW1/4; W1/2 NE1/4; W1/2 SE1/4; E1/2 SW1/4 Sec. 7, Twp. 30 S., R. 11 W. SLB&M	400.00
E1/2 SE1/4 & S1/2 NE1/4 Sec. 8, Twp. 30 S. R. 11 W. SLB&M	160.00
All Sec. 9, Twp. 30 S., R. 11 W., SLB&M	640.00
W1/2 NW1/4 Sec. 10, Twp. 30 S., R. 11 W., SLB&M	80.00
All Sec. 16, Twp 30 S., R. 11 W., SLB&M	640.00
S1/2 Sec. 19, Twp. 30 S., R. 11 W., SLB&M	320.00



S1/2SW1/4; Sec. 21, Twp. 29 S., R. 11 W., SLB&M; Also beginning 40 Rds. N. of the S1/4 Corner of Sec. 21, Th. N. 116 Rds.; E. 50 Rds; S. 116 Rds.; W. 50 Rds. to the P.O.B.	116.25
Lots 1,2,3 & S1/2 N1/2 Sec. 3, Twp. 30 S., R. 12 W., SLB&M	312.11
S1/2 Sec. 3, Twp. 30 S., R. 12 W., SLB&M	310.00
SE1/4; Lots 1,2,6 & 7, Sec. 4, Twp. 30 S., R. 12 W., SLB&M	327.43
NE1/4 Sec. 9, Twp. 30 S., R. 12 W., SLB&M Excepting: 10 Acres Dean Carter Windmill	150.00
N1/2 Sec. 10, Twp. 30 S., R. 12 W., SLB&M	320.00
W1/2 Sec. 22, Twp. 30 S., R. 13 W., SLB&M	320.00
All Sec. 23, Twp. 30 S., R. 13 W., SLB&M Excepting: 10 Acres Dean Carter Windmill	630.00
W1/2; SE1/4 Sec. 24 Twp. 30 S., R. 13 W., SLB&M	480.00
All Sec. 25, Twp. 30 S., R. 13 W., SLB&M Excepting: 10 Acres Dean Carter Windmill	630.00
N1/2 Sec. 26, Twp. 30 S., R. 13 W., SLB&M	320.00
N1/2 Sec. 27, Twp. 30 S., R. 13 W., SLB&M	320.00
NW1/4 SW1/4; W1/2 of the W1/2 of the NE1/4 SW1/4, Sec. 27, Twp. 30 S., R. 13 W., SLB&M.	50.00
S1/2 SW1/4; E. 60 Rds. NE1/4 SW1/4; N1/2 SE1/4; SE 1/4 SE1/4; E1/2 SW1/4 SE1/4, Sec. 27, Twp. 30 S., R. 13 W., SLB&M	250.00
W1/2 SW1/4 SE1/4 Sec. 27, Twp. 30 S., R. 13 W., SLB&M	20.00
All Sec. 33, Twp. 30 S., R. 13 W., SLB&M Excepting: 10 Acres Dean Carter Windmill	630.00
W1/2 Sec. 34, Twp. 30 S., R. 13 W., SLB&M	320.00
<u>Total Beaver County properties</u>	<u>10383.40</u>

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<u>LOCATION</u>	<u>ACRES</u>
IRON COUNTY:	
Lots 3,4,5,6,7,8,9,10,11,12,13,14 & E1/2 SW1/4, SE1/4 Sec. 6, Twp. 31 S., R. 13 W., SLB&M (Except. 10 Ac. Dean Carter Windmill)	687.43
E1/2 Sec. 10, & NE1/4 NE1/4, Sec. 27; W1/2 Sec. 20, Twp. 31 S., R. 13 W., SLB&M	680.00
All Sec. 19, Twp. 31 S., R. 13 W., SLB&M (Except the N. 1,500.64 ft. of NW1/4)	520.51
E1/2 Sec. 18, Twp. 31 S., R. 13 W., SLB&M Excluding 3 acres for roads & 10 Ac. Dean Carter	310.00
All Sec. 7, Twp. 31 S., R. 13 W., SLB&M; Excluding 9 acres for roads.	571.88
All Sec. 25, Twp. 31 S., R. 14 W., SLB&M	640.00
Lots 1 to 16 incl.; SW1/4; SE1/4 Sec. 1, (i.e. All Sec. 1)Twp. 31 S., R. 14 W., SLB&M.	887.92
All Sec. 30, Twp. 31 S., R. 13 W., SLB&M Excluding 12 Acres to SL&LARR Right-of-way	628.00
W1/2 NW1/4; NE1/4 NW1/4 Sec. 29, Twp. 31 S., R. 13 W., SLB&M; Excluding 12 acres Railroad Right-of Way	108.00
Lots 5,6,11 & 12, Sec. 4; Lots 7,8,9 & 10 Sec. 5, Twp. 31 S., R. 13 W., SLB&M; Excluding 4 acres for roads & 10 Ac. Dean Carter Windmill	310.00
SW1/4 & the S. 69 acres of the SE1/4, Sec. 30, Twp. 31 S., R. 12 W., SLB&M; Excepting therefrom: Commencing at the SE corner SW1/4; thence N. 1043.55 ft.; W. 1043.55 ft.; S. 1043.55 ft.; E. 1043.55 to POB.	236.00
SE1/4; NW1/4 SW1/4; E1/2 SW1/4, Sec. 17, Twp. 31 S., R. 12 W., SLB&M. Excepting therefrom: Commencing at the SE Corner of the NE1/4 SW1/4, Sec. 17, Th. W. 521.375 ft.; th. N. 1043.55 ft.; th. E. 1043.55 ft.; th. S. 1043.55 ft.; th. W. 521.375 ft. to POB. Subject to R/W for Co. Rd. Also the E1/2NW1/4; SW1/4NW1/4; SW1/4 of	535.00

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Sec. 20, Twp. 31 S., R. 12 W., SLB&M.	
NE1/4 & SE1/4, Sec. 20, Twp. 31 S., R. 12 W. SLB&M	320.00
NW1/4SW1/4, Sec. 9, Twp. 31 S., R. 12 W., SLB&M	40.00
All of Sec. 25, Twp. 31 S., R. 13 W., SLB&M	640.00
NE1/4; SE1/4, Sec. 26, Twp. 31 S., R. 13 W. SLB&M	320.00
NE1/4 & SE1/4, Sec.35, Twp. 31 S., R. 13 W. SLB&M	320.00
NE1/4 & SE1/4 Sec. 7, Twp. 32 S., R. 12 W. SLB&M	320.00
NE1/4 & SE1/4 Sec. 2, Twp. 32 S., R. 13 W. SLB&M	320.00
SE1/4 Sec. 11, Twp. 32 S., R. 13 W., SLB&M	160.00
NW1/4 & SW1/4 Sec. 13, Twp. 32 S., R. 13 W. SLB&M	320.00
S1/2NE1/4SW1/4, Sec. 1, Twp. 32 S., R. 13 W., SLB&M	20.00
S1/2 SW1/4; NW1/4 SW1/4 of Sec. 1, Twp. 32 S., R. 13 W., SLB&M	120.00
Lots 2,3 & 4; E1/2 W1/2 Sec. 31, Twp. 31 S., R. 12 W., SLB&M	329.00
<u>Total Properties for Iron County</u>	<u>9343.74</u>
Total Acreage:	19727.14

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Exhibit B - Premises

That certain real property located in Beaver County and Iron County, Utah and more particularly described as follows:

<u>LOCATION</u>	<u>ACRES</u>
BEAVER COUNTY:	
NE1/4 SW 1/4 Sec. 24, Twp.29 S., R. 11 W., SLB&M	40.00
W1/2 Sec. 27, Twp. 29 S., R 11 W., SLB&M	320.00
N1/2 N1/2 Sec. 28, Twp. 29 S., R. 11 W., SLB&M	160.00
S1/2 N1/2 Sec. 28, Twp. 29 S., R. 11 W., SLB&M	160.00
S1/2 Sec. 28, Twp. 29 S., R. 11 W., SLB&M Less 2750-A (County Road)	310.00
W1/2 Sec. 33, Twp. 29 S., R.11 W., SLB&M Less 2755-A	319.41
NE1/4 NW1/4 Sec. 34, Twp. 29 S., R. 11 W., SLB&M	40.00
N1/2; SW1/4 Sec. 2, Twp. 30 S., R. 11 W. SLB&M	488.20
S1/2 Sec. 3, Twp. 30 S., R. 11 W. SLB&M	320.00
S1/2 Sec. 4, Twp. 30 S., R. 11 W. SLB&M	320.00
SE1/4 Sec. 5, Twp. 30 S., R. 11 W. SLB&M	160.00
NW1/4; W1/2 NE 1/4; W1/2 SE1/4; E1/2 SW1/4 Sec. 7, Twp. 30 S., R. 11 W, SLB&M	400.00
E1/2 SE1/4 & S 1/2 NE1/4 Sec. 8, Twp. 30 S. R.11 W. SLB&M	160.00
All Sec. 9, Twp. 30 S., R. 11 W., SLB&M	640.00
W1/2 NW1/4 Sec. 10, Twp. 30 S., R.11 W., SLB&M	80.00
All Sec. 16, Twp 30 S., R. 11 W., SLB&M	640.00



S 1/2 Sec. 19, Twp. 30 S., R.11 W., SLB&M	
S1/2SW1/4; Sec. 21, Twp. 29 S., R. 11 W., SLB&M	320.00
Also beginning 40 Rds. N. of the S1/4 Corner Of Sec. 21, Th. N. 116 Rds.; E. 50 Rds.; S. 116 Rds.; W. 50 Rds. to the P.O.B.	116.25
NE1/4 Sec. 9 Twp. 30 S., R. 12 W., SLB&M	150.00
Excepting: 10 Acres Dean Carter Windmill	
<u>Total Beaver County properties</u>	5,143.86

LOCATION

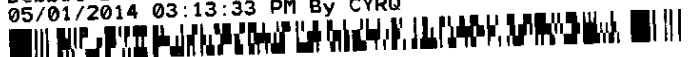
ACRES

IRON COUNTY:

SW1/4 & the S. 69 acres of the SE1/4, Sec. 30, Twp. 31 S., R. 12 W., SLB&M; Excepting therefrom: Commencing at the SE corner SW1/4; thence N. 1043.55 ft.; W. 1043.55 ft.; S. 1043.55 ft.; E. 1043.55 to POB	236.00
SE1/4; NW1/4 SW1/4; E1/2 SW1/4, Sec.17, Twp. 31 S., R. 12 W., SLB&M. Excepting there- from: Commencing at the SE Corner of the NE1/4 SW1/4, Sec.17, Th. W. 521.375 ft.; th.N. 1043.55 ft.; th.E. 1043.55 ft.; th. S. 1043.55 ft.; th. W 521.375 ft. to POB. Subject to R/W for Co. Rd. Also the E1/2NW1/4; SW1/4NW1/4; SW1/4 of Sec. 20, Twp. 31 S., R, 12 W., SLB&M	535.00
NE1/4 & SE1/4, Sec. 20, Twp. 31 S., R. 12 W. SLB&M	320.00
NW1/4SW1/4, Sec. 9, Twp. 31 S., R. 12 W., SLB&M	40.00
All of Sec. 25, Twp. 31 S., R. 13 W., SLB&M	640.00
NE1/4; SE1/4, Sec. 26, Twp. 31 S., R. 13 W. SLB&M	320.00

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NE1/4 & SE1/4, Sec. 35, Twp. 31 S., R. 13 W. SLB&M	320.00
NE1/4 & SE1/4, Sec. 7, Twp. 32 S., R. 12 W. SLB&M	320.00
NE1/4 & SE1/4, Sec. 2, Twp. 32 S., R. 13 W. SLB&M	320.00
SE1/4 Sec. 11, Twp. 32S., R. 13 W., SLB&M	160.00
NW1/4 & SW1/4 Sec. 13, Twp. 32 S.,R. 13 W. SLB&M	320.00
S1/2NE1/4SW1/4, Sec. 1, Twp. 32 S., R. 13 W., SLB&M	20.00
S1/2SW1/4; NW1/4SW1/4 of Sec.1, Twp. 32 S., R, 13 W., SLB&M	120.00
Lots 2, 3, & 4; E1/2 W1/2 Sec. 31, Twp. 31 S., R. 12 W., SLB&M	329.00
<u>Total Properties for Iron County</u>	4000.00
 Total Acreage:	 9143.86

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B: 1288 P: 1784 Fee \$107.00
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