

ASSET PURCHASE AND SALE AGREEMENT

Between

**DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES**

and

**SALT RIVER PROJECT AGRICULTURAL
IMPROVEMENT AND POWER DISTRICT**

Dated _____, 2015

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ASSET PURCHASE AND SALE AGREEMENT

This Asset Purchase and Sale Agreement (this "Agreement") is dated the ___ day of _____, 2015 (the "Effective Date"), by and between **The Department of Water and Power of the City of Los Angeles**, a department organized and existing under the Charter of the City of Los Angeles, California ("LADWP"), and **Salt River Project Agricultural Improvement and Power District**, a political subdivision of the State of Arizona ("SRP"). LADWP and SRP are sometimes referred to individually as a "Party" and collectively as the "Parties." Capitalized terms not defined above shall have the meanings given those terms in Sections 1.1 or as are defined elsewhere in this Agreement. An index of those other definitions appears in Section 1.2.

RECITALS

A. LADWP owns, as a tenant-in-common, certain undivided interests (including certain power generation, railroad, coal handling, coal storage, ash disposal, and other assets described therein) in the Navajo Generating Station located in Page, Arizona ("NGS"), as described more fully in Exhibit A of the Navajo Project Co-Tenancy Agreement among LADWP, SRP, Arizona Public Service Company, NV Energy, Tucson Electric Power Company, and the United States of America, as amended (the "NGS Co-Tenancy Agreement").

B. LADWP desires to sell to SRP and SRP desires to purchase from LADWP the following, together with the same percentage undivided interests in all assets, agreements and rights related to the following, subject to the terms of this Agreement all of LADWP's interests in NGS (which constitute a twenty-one and two tenth's percent (21.2%) undivided interest, as defined more fully in the NGS Co-Tenancy Agreement) which interest includes the NGS Site and the assets and interests related to NGS more fully described in Section 2.1 and on Exhibit R-1 (the "NGS Assets"); provided that the NGS Assets do not include any interest, by ownership or otherwise, LADWP has in the N-M Line or the N-C-M Line (each line as defined in Section 1.1 and described more fully in Exhibit R-2).

C. SRP owns, as a tenant-in-common, certain undivided interests in the closed Mohave Generating Station located in Laughlin, Nevada including the land, transmission and related assets described below (collectively, "MOGS"). As additional consideration for the NGS Assets, SRP wishes to transfer to LADWP the following, together with the same percentage undivided interests in all assets, agreements and rights related to the foregoing, subject to the terms of this Agreement:

(i) all of SRP's interest (the "Mohave Land Interest") in the real property underlying MOGS (the "Mohave Land"), more fully described on Exhibit R-3;

(ii) all of SRP's interest (the "Mohave Switchyard Interest") in (a) the Mohave switchyards and (b) all of the real property underlying and related to those switchyards (the "Mohave Switchyards"), in each case as more fully described on Exhibit R-4.

(iii) all of SRP's interest (the "Eldorado Transmission Interest") in (a) the Eldorado transmission lines and (b) all of the real property underlying and related to those transmission lines (the "Eldorado Transmission"), in each case as more fully described on Exhibit R-5; and

(iv) all of SRP's interest (the "Eldorado Switchyard Interest") in (a) the Eldorado switchyards and (b) all of the real property underlying and related to those switchyards (the "Eldorado Switchyards"), in each case as more fully described on Exhibit R-6.

The Mohave Land Interest, the Mohave Switchyard Interest, the Eldorado Transmission Interest, and the Eldorado Switchyard Interest are collectively referred to as the "Mohave Assets," which assets include the assets related to MOGS more fully described in Section 2.1.

D. Each of the Board of Water and Power Commissioners of the City of Los Angeles and the City Council of Los Angeles have properly approved and authorized LADWP's entry into, and performance of, this Agreement and the board of directors of SRP has properly approved and authorized SRP's entry into, and performance of, this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations and warranties set forth herein, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1 DEFINITIONS

Section 1.1 Certain Defined Terms. For purposes of this Agreement, in addition to the terms defined elsewhere in this Agreement, the following terms shall have the meanings specified:

"Affiliate" of a specified Person means any other Person which, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the Person specified. For purposes of this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether by ownership of voting securities, contractual rights or otherwise.

"Assigned Contracts" means the NGS Assigned Contracts or the Mohave Assigned Contracts, as applicable.

"Business Day" means any day other than Saturday, Sunday, or any other day on which banks located in the State of Arizona, the State of California, or by virtue of federal Laws, are authorized or obligated to close.

"Bureau" means the United States, acting through the Bureau of Reclamation.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Confidentiality Agreement" means the Amended and Restated Confidentiality Agreement between SRP and LADWP dated March 12, 2013, as further amended from time to time in accordance with its terms.

"Contract" means any legally binding agreement, contract, lease, license, deed, mortgage, indenture, note, instrument, purchase order, arrangement, undertaking or commitment, but excludes any Governmental Approval.

“Co-Tenants” means the NGS Co-Tenants, the Mohave Participants and the Eldorado Co-Tenants, respectively.

“Eldorado Co-Tenancy Agreement” means the Amended and Restated Eldorado System Conveyance and Co-Tenancy Agreement, dated as of December 20, 1967, as amended by Eldorado System Conveyance 2 and Co-Tenancy Agreement Assignment Dated as of December 23, 1968, and Amendment No. 1 Dated as of November 29, 2000, as supplemented and amended from time to time, among LADWP, SRP, NV Energy, and Southern California Edison Company.

“Eldorado Co-Tenants” means those Persons that are parties at that time to the Eldorado Co-Tenancy Agreement.

“Eldorado Project Agreements” means the Eldorado Co-Tenancy Agreement and the System Agreements as defined in the Eldorado Co-Tenancy Agreement, as amended from time to time.

“Eldorado Transmission Site” means all real property interests of SRP underlying or owned in connection with the Eldorado Transmission and the Eldorado Switchyards, including all fixtures, improvements and other related real property interests located thereon.

“Emission Allowances” means all authorizations to emit or Release specified units of gases, pollutants or Hazardous Materials from or in connection with the operation of NGS or MOGS, as applicable, which units are established by a Governmental Authority with jurisdiction over NGS or MOGS or their respective Participants, as applicable, under (i) an air pollution control or emission reduction program designed to address global warming or the transport of air pollutants; (ii) a program designed to mitigate impairment of surface waters, watersheds or groundwater; or (iii) any pollution reduction program with a similar purpose. The term “Emission Allowances” includes emissions allowances, as described above, regardless of whether the Governmental Authority establishing those allowances designates them by a name other than “allowances.”

“Emission Reduction Credits” means credits, in units as are established by a Governmental Authority with jurisdiction over NGS or MOGS or their respective Participants, as applicable, resulting from reductions, if any, in emissions or Releases of pollutants, emissions or Hazardous Materials from or in connection with the operation of NGS or MOGS, as applicable, including reductions from shut-downs or control of emissions or Releases beyond that required by applicable Law, that have been identified or certified by the Governmental Authority as complying with the Law governing the establishment of those credits. The term “Emission Reduction Credits” includes credits, as described above, regardless of whether the Governmental Authority establishing those credits designates them by a name other than “credits” or “emission reduction credits.” The term “Emission Reduction Credits” shall include any benefits that accrue under any state or federal plan established pursuant to Section 111(d) of the Clean Air Act, including any benefits arising under 40 C.F.R. Part 60, subpart UUUU and the accompanying U.S. Environmental Protection Agency’s Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units.

“Encumbrance” means any lien, deed of trust, pledge, security interest, mortgage, equitable interest, option, covenant or restriction that is attached to real or personal property, encumbrance of or exception to title, or other similar right or interest in any of the Transferred Assets.

“Environmental Law” means all federal, state, tribal, local and foreign civil and criminal laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders relating to pollution or protection of the environment, natural resources or human health and safety, as the same may be amended or adopted, including laws relating to Releases or threatened Releases of Hazardous Materials (including Releases to ambient air, surface water, groundwater, land, surface and subsurface strata) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, Release, transport, disposal or handling of Hazardous Materials, including CERCLA; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; the Federal Clean Water Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1471 et seq.; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 through 2629; the Oil Pollution Act, 33 U.S.C. § 2701 et seq.; the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. § 11001 et seq.; the Safe Drinking Water Act, 42 U.S.C. §§ 300f through 300j; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; and any similar laws of the State of Arizona, the State of California, the State of Nevada or of any other Governmental Authority having jurisdiction over or otherwise applicable to any of the Transferred Assets or the owners or operators thereof; and regulations implementing the foregoing.

“Environmental Permit” means all Governmental Approvals, authorizations or permits from Governmental Authorities required under Environmental Laws for the operation or ownership or use of any of the Transferred Assets.

“Governmental Approvals” means registrations, licenses, permits, authorizations and other consents or approvals, in each case of Governmental Authorities.

“Governmental Authority” means any (i) federal, state, local, municipal, tribal, foreign or other government, (ii) any governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power, including any industry or regional bodies regulating the operations of a Party, such as the North American Electric Reliability Corporation, the Western Electricity Coordinating Council, or any balancing area authority, regardless of whether its orders or decisions have the force of law, (iii) any court or governmental tribunal, or (iv) any other organization having governmental, regulatory, administrative, taxing or police powers, in each case acting within the scope of its authority or jurisdiction, but in all cases excludes LADWP and SRP.

“Hazardous Materials” means any chemicals, materials, substances, or items in any form, whether solid, liquid, gaseous, semisolid, or any combination thereof, whether waste materials, raw materials, chemicals, finished products, by-products, or any other materials or articles, which are listed as hazardous, toxic or dangerous under Environmental Law, including petroleum products, asbestos, urea formaldehyde foam insulation, and lead-containing paints or coatings.

“Indebtedness” means indebtedness for borrowed money of a Person, including, without duplication, (i) all obligations of the Person evidenced by notes, bonds, debentures or other similar instruments, (ii) all obligations of the Person under letters of credit, (iii) guaranties of indebtedness for borrowed money, (iv) any obligations of the Person as lessee under any capitalized leases, (v) any obligations of the Person in respect of any interest rate hedge agreements, and (vi) any obligations of the Person to pay the deferred purchase price of property or services (excluding trade accounts payable and other current liabilities incurred or arising in the Ordinary Course); provided that Indebtedness shall not include any then-current Tax liabilities of the Person.

“Intellectual Property” means patents, trademarks and copyrights (including registrations and pending applications to register any of the foregoing) and domain names.

“Knowledge” of a Party means (a) with respect to LADWP, the actual current knowledge of any of the Persons listed on Schedule 1.1(a); and (b) with respect to SRP, the actual current knowledge of any of the Persons listed on Schedule 1.1(b).

“Laws” means all statutes, rules, regulations, ordinances; orders, decrees, injunctions, judgments and codes or other authorization or restriction having the force of law of any applicable Governmental Authority.

“Lease” means the Original Lease, as amended by the Lease Amendment.

“Liabilities” means any direct or indirect liabilities, costs, expenses, debts, claims, demands, suits, losses, damages, deficiencies, judgments, penalties, taxes, indemnities, fines, payments, or obligations of any kind, character, or description, and whether known or unknown, liquidated or unliquidated, accrued, absolute, contingent or otherwise, and regardless of whether or when asserted or by whom.

“Material Adverse Effect” means:

(a) Any (i) event, circumstance or condition materially impairing a Party’s authority, right or ability to consummate the Transactions or (ii) material adverse change or effect on the operation or condition (physical, financial or otherwise) of the NGS Assets or the Mohave Assets, as applicable, and in each case taken as a whole (including any casualty, loss, damage, destruction, or other condition, event or circumstance which arises or occurs).

(b) Notwithstanding the foregoing, but subject to the exceptions noted in subsection (c), the following shall not be taken into consideration in determining whether a “Material Adverse Effect” has occurred: (i) any change or effect generally affecting international, national, regional, state or local wholesale or retail markets for electric power or coal, (ii) any change in national, regional, state or local electric transmission or distribution systems in general or the operation thereof; or (iii) any change in markets for electric power, coal, fuel, water and other commodities, including changes in demand, market design and pricing; provided further, however, that any change, effect, condition, event or circumstance referred to in clauses (i) through (iii) immediately above shall be taken into account in determining whether a Material Adverse Effect has occurred or would reasonably be expected to occur to the extent that the change, effect, condition, event or circumstance has a disproportionate effect on the NGS Assets or the Mohave Assets, as applicable, compared to other similar facilities and assets.

(c) Notwithstanding the provisions of subsection (b), each of the following shall be considered to be a Material Adverse Effect:

(i) After the date of this Agreement but prior to the Closing Date, any of the NGS Co-Tenants that intend to remain in the plant beyond December 23, 2019 (SRP, Tucson Electric Power Company, Arizona Public Service Company and the United States of America, collectively the “Continuing Participants”) (excluding SRP) that they will not agree to enter into a new or amended Coal Supply Agreement after that agreement has been negotiated by SRP and Peabody Coal and in a form SRP is prepared to execute.

(ii) After the date of this Agreement but prior to the Closing Date, the Navajo Nation withdraws its execution of, or seeks material modifications to, Amendment No. 1 to the Original Lease in the form attached as Exhibit 1.1(a) (the "Lease Amendment"), either directly or by recommendation to the Secretary of Interior.

(iii) After the date of this Agreement but prior to the Closing Date, any of the Continuing Participants (excluding SRP) formally announces its intent to permanently cease operations at NGS on or before December 23, 2019.

"Mohave Ash Decommissioning Obligations" means the obligations of SRP with respect to any decommissioning and reclamation duties and costs with respect to ash, scrubber by-products and other materials deposited with those items and originating from MOGS, regardless of whether those substances are located at MOGS or elsewhere, including any decommissioning and reclamation obligations and costs arising under the Mohave Project Agreements or applicable Law.

"Mohave Assigned Contracts" means (i) those Contracts described in Schedule 1.1(c), and (ii) any Contracts that relate exclusively to the Mohave Assets that are executed on or after the Effective Date but prior to the Closing Date and that are permitted by Section 5.8.

"Mohave Co-Tenancy Agreement" means the Mohave Project Plant Site Conveyance and Co-Tenancy Agreement among Southern California Edison, NV Energy, LADWP and SRP immediately prior to its expiration.

"Mohave Participants" means those Persons that were parties to the Mohave Co-Tenancy Agreement immediately prior to its expiration.

"Mohave Project Agreements" means the Mohave Co-Tenancy Agreement and the agreements included in the definition of "Project Agreements" in that agreement.

"Mohave Sites" means the Mohave Land, the Mohave Switchyard Site and the Eldorado Transmission Site, including all Owned Real Property, Leased Real Property and Easement interests therein.

"Mohave Switchyard Site" means all real property interests of SRP underlying or owned in connection with the Mohave Switchyards, including all fixtures, improvements and other related real property interests located thereon.

"MW" means megawatts.

"NGS Ash Decommissioning Obligations" means the obligations of LADWP with respect to any decommissioning and reclamation duties and costs with respect to ash, scrubber by-products and other materials deposited with those items and originating from NGS, regardless of whether those substances are located at NGS or elsewhere, including any decommissioning and reclamation obligations and costs arising under the NGS Project Agreements or applicable Law.

"NGS Assigned Contracts" means (i) those Contracts described in Schedule 1.1(d), and (ii) any Contracts that relate exclusively to the NGS Assets that are executed on or after the Effective Date but prior to the Closing Date and that are permitted by Section 5.8.

"NGS Co-Tenants" means the NGS Participants, excluding the United States of America.

“NGS Operating Agent” means SRP as the operator for NGS.

“NGS Participants” means those Persons that are parties at that time to the NGS Co-Tenancy Agreement.

“NGS Site” means all real property interests underlying or owned in connection with NGS (excluding the N-M Line and the N-C-M Line), including all fixtures, improvements and other related real property interests located thereon.

“NGS Transmission Interests” means LADWP’s interests in the NGS Transmission Lines more fully described in Exhibit R-2, consisting of (i) the Navajo-Moenkopi transmission line (the “N-M Line”), and; (ii) the Navajo-Crystal-McCullough transmission line (the “N-C-M Line”).

“Non-Governmental Approvals” means notices to, and approvals, consents, authorizations and waivers from, Persons who are not Governmental Authorities.

“Operating Agent” means the operator of the Eldorado Transmission or the Mohave Sites, the NGS Operating Agent or the operator of the NGS Transmission Interests, as applicable.

“Ordinary Course” means the ordinary course of business, consistent with the Person’s past practices, including with respect to frequency, duration and amount.

“Original Lease” means the Indenture of Lease dated September 29, 1969 by and between the Navajo Nation and the NGS Participants.

“Participants” means the NGS Participants or the Mohave Participants, as applicable.

“Permitted Encumbrances” means: (i) Encumbrances for Taxes, assessments or other government charges that are not yet due and payable or that are being contested in good faith by appropriate proceedings; (ii) any Encumbrance arising in the Ordinary Course by operation of Law with respect to a Liability that is not yet delinquent or that is being contested in good faith; (iii) any mechanics’, materialmen’s, workmen’s, repairmen’s, warehousemen’s and carriers’ liens or other similar Encumbrance arising in the Ordinary Course where (x) the Encumbrance is satisfied and removed prior to the Closing, (y) the Encumbrance or the Liability giving rise to that Encumbrance is consented to by LADWP or SRP, as applicable, or (z) the Encumbrance or the Liability giving rise to the Encumbrance is an Excluded Liability; (iv) defects, imperfections or irregularities of title and other Encumbrances that would not, in the aggregate, reasonably be expected to materially interfere with the use of or materially detract from the value of the NGS Assets or the Mohave Assets, as applicable, in each case taken as a whole; (v) servitudes, easements, rights-of-way, zoning, planning or similar restrictions or other defects, imperfections or irregularities against title to real property as are of a nature generally existing with respect to properties of a similar character or which do not materially interfere with the current use of that real property; (vi) any Encumbrances arising under the NGS Project Agreements, including the right of first refusal applicable to any purported transfer of the NGS Assets; (vii) any other Encumbrances approved by LADWP in respect of the Mohave Assets or SRP in respect of the NGS Assets, as applicable, in writing or released prior to the Closing; and (viii) entry into an environmental covenant or similar agreement with respect to the Mohave Assets or Mohave Sites executed by each of LADWP and SRP.

“Person” means any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, labor union, Governmental Authority or other entity.

“Power Revenue Fund” means the fund in the City of Los Angeles’ treasury known as the “Power Revenue Fund” to which all revenue from every source collected by LADWP in connection with its possession, management and control of the power assets is required to be deposited and credited.

“Pre-Closing Tax Period” means any Tax period ending on or before the Closing Date and, with respect to a Straddle Tax Period, the portion of that Tax period ending on the Closing Date.

“Property Tax” means (i) all real or personal property Taxes, levies or other monetary obligations imposed, assessed or exacted by any Taxing Authority with respect to the ownership or operation of any real or personal property, (ii) any payments made as ‘voluntary contributions in aid of taxation’ under Title 48 of the Arizona Revised Statutes or any comparable statute in any other jurisdiction, and (iii) any interest, penalties, adjustments and additions attributable to any of the foregoing.

“Prudent Operating Practices” means any of the practices, methods and acts permitted by Law and which follow prudent safety, maintenance and operational practices that are engaged in or approved by a significant portion of the coal-fired load serving electric utility industry in the United States operating facilities similar to the NGS Assets or the Mohave Assets, as applicable, during the relevant time period and which, in the exercise of reasonable judgment in light of the facts known at the time a decision is made, would reasonably be expected to accomplish the desired result consistent with good business practices, reliability, safety and expedition. Prudent Operating Practices are not limited to the optimum practice, method or act to the exclusion of all others, but rather to those practices, methods and acts generally accepted or approved by a significant portion of the coal-fired load serving electric utility industry in the United States operating facilities similar to the NGS Assets or the Mohave Assets, applicable, during the relevant time period, as described in the immediately preceding sentence.

“Release” means any release, spill, emission, leaking, pumping, emptying, dumping, injection, abandonment, deposit, disposal, discharge, dispersal, leaching, migration or presence of Hazardous Materials (including the abandonment or discarding of Hazardous Materials in barrels, drums, or other containers) at, on, in, upon, over, across, under, within or from the site in question or into or within the environment, including the migration of Hazardous Materials into, under, on, through, or in the air, soil, subsurface strata, surface water, groundwater, drinking water supply, any sediments associated with any water bodies, or any other environmental medium, regardless of where such migration originates.

“Remediation” means action of any kind to address a Release of Hazardous Materials at, on, in, upon, over, across, under, within or from the site in question, including any (i) investigation, monitoring, clean-up, containment, remediation, mitigation, removal, disposal or treatment, including the preparation and implementation of any work plans and the obtaining of Governmental Approvals from Governmental Authorities with respect thereto, and (ii) any response to, or preparation for, any inquiry, order, hearing or other proceeding by or before any Governmental Authority with respect to a Release of Hazardous Materials.

“Sites” means the NGS Site or the Mohave Sites, as applicable.

“Straddle Tax Period” means a Tax period that begins on or before the Closing Date and ends after the Closing Date.

“Supplies” means, on any date, (i) LADWP’s inventories of coal, other fuel, parts, materials or supplies intended to be used or consumed, or procured by LADWP for use or consumption at the NGS Site, including LADWP’s reserves of parts and components, maintenance supplies, shop and office supplies, and other similar items of tangible personal property of LADWP on hand at, or in transit to, the NGS Site, or (ii) SRP’s share of any inventories of parts, materials or supplies held by the Operating Agent for the Mohave Sites or the Eldorado Transmission for use or consumption at any of the Mohave Sites, including SRP’s share of reserves of parts and components, maintenance supplies, shop and office supplies, and other similar items of tangible personal property directly related to the Mohave Sites on hand at, or in transit to, any of the Mohave Sites.

“Tax” or “Taxes” means (i) all sales, use or transaction privilege taxes, real or personal property taxes, recordation and transfer taxes, excise, recording or transfer fees, payroll deduction taxes, franchise taxes, taxes on gross or net income or other monetary obligations imposed, assessed or exacted by any Governmental Authority, and (ii) any interest, penalties, adjustments and additions attributable to any of the foregoing.

“Taxing Authority” means any Governmental Authority responsible for the imposition of any Tax.

“Tax Return” means any report, return, information return or other information required to be supplied to a taxing authority in connection with Taxes.

“Transaction Agreements” means this Agreement and each of the other agreements, instruments or documents contemplated to be executed and delivered by a Party in connection with the consummation of the Transactions, including those agreements and other instruments set forth in Section 9.1 or as they appear in any schedule, exhibit or appendix to a Transaction Agreement.

“Transactions” means all of the transactions contemplated on the part of each of the Parties, their respective Affiliates and the applicable Operating Agent by the Transaction Agreements.

“Transferred Assets” means the NGS Assets being transferred to SRP or the Mohave Assets being transferred to LADWP, hereunder, as applicable.

“\$” shall mean the lawful currency of the United States of America.

Section 1.2 Index of Other Defined Terms. In addition to those terms defined above, the following terms have the respective meanings given to those terms in the Sections indicated below:

Defined Term:	Section:
Ad Valorem Taxes	9.2(a)(i)
Agreement	Preamble
Ancillary Documents	9.1(a)(xi)
“and/or”	1.3(a)
Assumed Liabilities	2.3
Cash Purchase Price	2.5(a)

Closing	9.1
Closing Date	9.1
Continuing Participants	Definition of “Material Adverse Effect”
“control”	Definition of “Affiliate”
Dispute Notice	2.7
Easements	2.1(c)(iii)
Effective Date	Preamble
Eldorado Switchyards	Recital C(iv)
Eldorado Switchyard Interest	Recital C(iv)
Eldorado Transmission Interest	Recital C(iii)
Eldorado Transmission	Recital C(iii)
Enforceability Exceptions	3.2(b)
Equipment	2.1(c)(v)
Estimated Cash Purchase Price	2.6
Estimated Closing Statement	2.6
Estimated Purchase Price Allocation	2.12
Excluded Assets	2.2
Excluded Liabilities	2.4
Final Cash Purchase Price	2.7
Final Purchase Price Allocation	2.12
“hereof,” “herein” and “hereunder”	1.3(c)
“includes” or “including”	1.3(a)
Independent Accountants	2.8
LADWP	Preamble
LADWP’s Closing Certificate	7.4
LADWP Excluded Assets	2.2
LADWP Excluded Liabilities	2.4
Lease Amendment	Definition of “Material Adverse Effect”
Leased Real Property	2.1(c)(ii)
Market Price Adjustment	2.10
Market Price Dispute Notice	2.10
MOGS	Recital C
Mohave Assets	Recital C
Mohave Assumed Liabilities	2.3
Mohave Deed	9.1(b)(ii)
Mohave General Assignment and Assumption	
Agreement	9.1(a)(i)(A)
Mohave Land	Recital C(i)
Mohave Land Interest	Recital C(i)
Mohave Switchyard Interest	Recital C(ii)
Mohave Switchyards	Recital C(ii)
Mohave Transfer Taxes	5.4(c)
NGS	Recital A
NGS Assets	Recital B
NGS Assumed Liabilities	2.3
NGS Coordinating Committee Resolution	7.11
NGS Co-Tenancy Agreement	Recital A
NGS General Assignment and Assumption	
Agreement	9.1(a)(i)(B)

NGS Project Agreements	3.6(b)
NGS Transfer Taxes	5.4(b)
Non-Assignable Assets	2.9
“or”	1.3(a)
Owned Real Property	2.1(c)(i)
Party or Parties	Preamble
Phase 1 ESAs	5.6
Post-Closing Statement	2.7
Prepayments	2.1(c)(x)
Purchase Price	2.5
Real Property Leases	2.1(c)(ii)
Representatives	2.4(i)
Schedules	1.3(b)
Schedule Update	5.9
Separation Agreement	5.15
Settlement Agreement	2.4(l)
SRP	Preamble
SRP Excluded Assets	2.2
SRP Excluded Liabilities	2.4
SRP’s Closing Certificate	8.4
Firm Entitlement Agreement	9.1(a)(iii)
“writing” and “written”	1.3(d)
WSPP Confirmation Agreement	5.17

Section 1.3 Certain Interpretive Matters. In this Agreement, unless the context otherwise requires:

(a) The singular shall include the plural, the masculine shall include the feminine and neuter, and vice versa, the terms “includes” or “including” shall mean “including” (whether or not such terms are followed by those or similar words), the term “and/or” shall mean any or all of the conjoined items, and references to a Section, Article, Exhibit, Appendix or Schedule shall mean the applicable Section or Article of, or Exhibit, Appendix or Schedule to, this Agreement. Unless otherwise specified, the word “or” is not exclusive.

(b) Any capitalized terms used in any Appendix or Schedule but not otherwise defined therein shall have the meanings defined in this Agreement. All Appendices and Schedules (the “Schedules”) attached hereto are hereby incorporated in and made a part of this Agreement as if set forth in full herein.

(c) The words “hereof,” “herein” and “hereunder” and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

(d) References to any Contract shall be a reference to that Contract as modified, amended, supplemented or restated from time to time. References to a number of days shall refer to calendar days unless Business Days are specified. Whenever an action must be taken hereunder on or by a day that is not a Business Day, then that action may be validly taken on or by the next day

that is a Business Day. "Writing," "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form.

(e) References to a Governmental Agency, Law, index or similar item shall include any successor or replacement thereto.

Section 1.4 Intention Regarding Classification. The classification of certain items as personal property and/or real property in the definitions relating to Transferred Assets for purposes of this Agreement is intended to be solely for the convenience of reference of the Parties and is not intended as an election to classify, or an admission regarding the classification of, those items as real or personal property, fixtures, improvements or otherwise for any other purposes, including accounting, recordation or perfection of liens, taxation, including real or personal property taxes and transfer taxes, title insurance coverage or any other purposes whatsoever.

ARTICLE 2 BASIC TRANSACTIONS

Section 2.1 Transfers of Assets. On the terms and subject to the conditions contained in this Agreement, and except as otherwise provided herein, at the Closing:

(a) SRP shall purchase from LADWP, and LADWP shall sell, convey, assign, transfer and deliver to SRP, the NGS Assets; and

(b) LADWP shall acquire from SRP, and SRP shall convey, assign, transfer and deliver to LADWP, the Mohave Assets.

(c) The Transferred Assets shall include all of the transferring Party's right, title and interest in and to the same percentage of the assets, properties and facilities used, or held for use, principally in connection with the ownership and operation of the interests being transferred and related operations, each as in existence on the Closing Date, including those assets described below, but excluding all Excluded Assets with respect to that Party:

(i) The interests in real property owned in fee (the "Owned Real Property") with respect to NGS, MOGS and the Eldorado Transmission Site;

(ii) The leasehold estates (the "Leased Real Property") and the related lease or sublease agreements (the "Real Property Leases") with respect to NGS, MOGS and the Eldorado Transmission Site, if any, together with all construction work-in-progress in respect of same, respectively;

(iii) Easements, rights of way and privileges appurtenant to or for the benefit of the Owned Real Property or the Leased Real Property as well as the right, by way of license, easement or the like, to locate Equipment to be sold hereunder on real property not included in the Owned Real Property or the Leased Real Property (the "Easements");

(iv) All buildings, fixtures and improvements, if any, including all construction work-in-progress, respectively located on the Owned Real Property, Leased Real Property or Easements;

(v) Fixed or mobile machinery and equipment, as well as similar items of tangible personal property, including vehicle refueling tanks, pumps, pipelines, fittings, trucks, tractors, trailers, locomotives, railcars, and other vehicles, tools and furniture (collectively "Equipment") that (i) are not by their nature consumed in the Ordinary Course such that they constitute Supplies, (ii) are used, owned or leased by Participants in connection with NGS or MOGS, as applicable, as of the Closing Date, and (iii) are permanently located at a Site or otherwise on the Owned or Leased Real Property or on an Easement for use primarily in connection with the ownership or operation of a Site (including any Transferred Assets temporarily off-site for repair or other purposes);

(vi) Supplies as of the Closing Date;

(vii) The Assigned Contracts, as applicable, and any Contracts to which an Operating Agent is a party as agent for the Participants as of the Closing;

(viii) The Governmental Approvals in favor of the Participants or the Operating Agent as agent for the Participants as of Closing that relate to or are necessary for or used in connection with the operation of the Transferred Assets as heretofore operated by the Participants and the Operating Agent on their behalf, except for and to the extent that those Governmental Approvals relate solely to the Excluded Assets;

(ix) The books, records, plans, drawings, instruction manuals and similar items located at a Site;

(x) Unexpired warranties as of the Closing which the Participants have (or the Operating Agent on behalf of those Participants has) received from third parties, which relate specifically to any of the Transferred Assets and which are transferable to the other Party, including warranties set forth in any equipment purchase agreement, construction agreement, lease agreement, consulting agreement or agreement for architectural or engineering services, it being understood that nothing in this paragraph shall be construed as a representation by the selling Party that any unexpired warranty remains enforceable;

(xi) Advance payments, prepayments, prepaid expenses, deposits and the like that are (A) made by Participants or the Operating Agent on their behalf in the Ordinary Course prior to the Closing specifically with respect to the Transferred Assets, (B) which exist as of the Closing, and (C) with respect to which the other Party will receive the benefit after the Closing (collectively, "Prepayments");

(xii) The Emission Allowances and Emission Reduction Credits, including those issued to NGS pursuant to the Clean Air Act, Title IV, with vintage years subsequent to 2015, and any emission rights, Emission Allowances or Emission Reduction Credits issued to NGS by any Governmental Authority (other than pursuant to Clean Air Act, Title IV) for any pollutant or Hazardous Materials (including greenhouse gasses), based on the operation, control or shut down of NGS, including any benefits arising under 40 C.F.R. Part 60, subpart UUUU and accompanying guidelines; provided, however that LADWP shall retain those Emission Allowances and Emission Reduction Credits expressly provided in Sections 2.2(a), (b) and (c);

(xiii) Intellectual Property that is owned by Participants as tenants-in-common and which relate exclusively to the Transferred Assets, including pending applications therefor;

(xiv) LADWP's interest in any and all real property (whether those interests arise by ownership, lease, easement, rights of adverse possession or otherwise) with respect to any real or personal property exclusively used in connection with NGS, without regard to whether the property is located within or without authorized grants, but not including LADWP's interest in the NGS Transmission Interests; and

(xv) Those miscellaneous and sundry assets that are ancillary to the ownership of the Transferred Assets and are used or customarily utilized in connection therewith but not otherwise enumerated above, except the Excluded Assets.

Section 2.2 Excluded Assets. No assets, rights, Governmental Approvals, Contracts or other property of a Party shall be sold, conveyed, assigned, transferred or delivered to the other Party other than the NGS Assets to SRP and the Mohave Assets to LADWP. The NGS Assets and Mohave Assets, respectively specifically shall not include any of the following assets, rights, Governmental Approvals, Contracts or other property of the Party transferring the Transferred Assets, except where expressly noted (collectively with respect to each Party transferring the Transferred Assets, the "Excluded Assets"):

(a) with respect to the sale of the NGS Assets, LADWP shall retain all Emission Allowances and Emission Reduction Credits for sulfur dioxide issued by the United States pursuant to federal Law relating to the NGS Assets and allocated to LADWP pursuant to the NGS Engineering and Operating Committee Agreement No. 26, Revision 2, dated November 12, 2013, including those identified on Schedule 2.2(a) under the heading "LADWP Share of NGS Allowances Included Among Excluded Assets"; provided, that the Parties acknowledge that (i) the Emission Allowances and Emission Reduction Credits identified on Schedule 2.2(a) under the heading "LADWP Share of Reserves" are included among the NGS Assets, and (ii) the Emission Allowances and Emission Reduction Credits identified on Schedule 2.2(a) under the heading "SRP Total Reserved Allowances" have been allocated to SRP as Operating Agent and nothing in the foregoing shall affect the prior allocation of those allowances/credits to SRP as Operating Agent;

(b) with respect to the sale of the NGS Assets, LADWP shall retain all Emission Allowances or Emission Reduction Credits which are issued by the State of California pursuant to California Law including California Code of Regulations, Title 17, Section 95892; provided, that LADWP shall not retain or receive any Emission Allowances or Emission Reduction Credits issued by the State of California based on, or arising from, the ownership, operation, control or retirement of NGS from and after December 23, 2019, even if issued prior to that date so long as those Emission Allowances or Emission Reduction Credits relate to ownership, operation, control or retirement occurring from or after December 23, 2019;

(c) all Emission Allowances and Emission Reduction Credits with respect to the Mohave Assets;

(d) LADWP shall retain the NGS Transmission Interests;

(e) all cash, cash equivalents, accounts receivable, deposits, prepaid expenses, credits, advance payments, security deposits, cash collateral or other performance assurances, refunds and rights to refunds, offsets, checking accounts and other bank accounts, certificates of deposit and securities or interests of a Party and its Affiliates, other than the Prepayments;

(f) all claims, counterclaims, cross-claims, offsets or defenses, causes of action, chooses in action, recoveries or rights of recovery, judgments and similar rights in favor of or for the benefit of a Party to the extent relating to any Excluded Assets or Excluded Liabilities of that Party;

(g) any refund, deposit, credit, payment or reconciliation of Taxes, or right thereto, relating to a Pre-Closing Tax Period or to any Excluded Assets or Excluded Liabilities of that Party; and

(h) any amounts received by, or credited to, a Party pursuant to any pending lawsuits or other proceedings involving the Party or its respective Affiliates to the extent those disputes relate to Excluded Assets or Excluded Liabilities of that Party.

The assets, rights, Governmental Approvals, Contracts or other property of LADWP which constitute Excluded Assets as provided above are hereinafter collectively referred to as the "LADWP Excluded Assets." The assets, rights, Governmental Approvals, Contracts or other property of SRP which constitute Excluded Assets as provided above are hereinafter collectively referred to as the "SRP Excluded Assets."

Section 2.3 Assumed Liabilities. Immediately after the Closing, each Party shall assume and pay, discharge and perform only the following Liabilities with respect to the NGS Assets or the Mohave Assets, as applicable, transferred to that Party hereunder, except to the extent any of those Liabilities constitute Excluded Liabilities of the transferring Party: (i) Liabilities arising or accruing after the Closing under or in respect of any of the Assigned Contracts, except as provided in Sections 2.4)(m) and (n); (ii) matters for which a Party is expressly responsible under this Agreement, and (iii) Liabilities arising out of the ownership, operation or use of Transferred Assets after the Closing, including those relating to Environmental Laws and Taxes (collectively, the "Assumed Liabilities"). For the avoidance of doubt, with respect to any Transferred Asset which constitutes an undivided percentage interest in, and not the whole of, the applicable underlying asset or property, only the pro rata portion (based on the percentage undivided interest in that asset or property constituting a Transferred Asset hereunder) of the Liabilities arising out of the ownership, operation or use of the applicable underlying asset or property from and after the Closing shall be an Assumed Liability hereunder. The Assumed Liabilities in respect of the NGS Assets assumed by SRP as provided above are hereinafter collectively referred to as the "NGS Assumed Liabilities" and the Assumed Liabilities in respect of the Mohave Assets assumed by LADWP as provided above are hereinafter collectively referred to as the "Mohave Assumed Liabilities."

Section 2.4 Excluded Liabilities. Neither Party shall assume or be obligated to pay, perform or otherwise discharge or be responsible for any of the Liabilities of the other Party or its Affiliates, except for Liabilities of the other Party or its Affiliates that constitute Assumed Liabilities under Section 2.3. All Liabilities of the Party or its Affiliates transferring the Transferred Assets, other than the Assumed Liabilities, are referred to herein as the "Excluded Liabilities," all of which Excluded Liabilities shall remain the sole responsibility of the Party (or its Affiliates, as applicable) transferring the Transferred Assets.

Without limiting the foregoing, the Excluded Liabilities include the following:

- (a) all Liabilities to the extent relating to or arising from the Excluded Assets, whether arising before, on or after the Closing Date;
- (b) all Liabilities of the Party or its Affiliates transferring the Transferred Assets of any nature to the extent arising or accrued on or prior to the Closing Date, except with respect to those matters addressed by subsections 2.4(m) and (n) below;
- (c) all Liabilities arising or accrued as of or prior to the Closing Date under any of the Assigned Contracts and any other contractual obligation which is not an Assigned Contract, whether arising before, on or after the Closing;
- (d) all Liabilities of the Party or its Affiliates transferring the Transferred Assets (including any Liabilities under any Tax-sharing agreements) with respect to Taxes attributable to the Transferred Assets or the assets, operations or business or the ownership, sale, operation or use of Transferred Assets, which are payable for any Pre-Closing Tax Period;
- (e) all Liabilities arising from or associated with the failure of the Party or its Affiliates transferring the Transferred Assets to pay or perform any obligation due on or prior to the Closing Date or other breach by such Party or its Affiliates at or prior to the Closing Date of any term, covenant or provision of any Contract of that Party or its Affiliates;
- (f) all Liabilities to third parties for personal injury or tort, or similar causes of action, associated with or arising from the ownership or operation of the Transferred Assets, as a result of any event, fact or circumstance arising or occurring on or prior to the Closing Date;
- (g) all Liabilities of the Party or any of its Affiliates transferring the Transferred Assets, representing Indebtedness or the deferred portion of the purchase price for any assets, including any of the Transferred Assets, including any refinancing thereof;
- (h) all Liabilities resulting from any violation of Law or the use, treatment, storage, presence, disposal or Release of Hazardous Materials on, under, within, over or from Sites or with respect to the other Transferred Assets or in connection with the development or operation of any of the Sites or those Transferred Assets, in each case to the extent that the violation, use, treatment, storage, presence, disposal or Release occurred on, at or prior to the Closing; provided, that if the Liabilities cannot be directly attributed to those specific periods, the Parties shall divide them on a straight-line basis across the measurement period;
- (i) all Liabilities arising from or associated with claims, investigations, events or circumstances existing as of the Closing that arise from the actions or failure to act by the Party or its Affiliates transferring the Transferred Assets, and the directors, partners, managers, officers, employees or agents (collectively, the "Representatives") of that Party or its Affiliates occurring on or prior to the Closing, regardless of whether set forth in any demands, claims, lawsuits or other proceedings against the Party, its Affiliates or any of their respective Representatives as of the Closing;
- (j) all Liabilities relating to the employment or termination of employment of any individual employed at any of the Sites by the Party or its Affiliates transferring the Transferred

Assets or the Operating Agent for those Transferred Assets, including discrimination, wrongful discharge, unfair labor practices or constructive termination, arising on or before the Closing Date;

(k) all Liabilities relating to wages, overtime, employment taxes, severance pay, benefit plan contributions or payments, transition payments in respect of compensation or similar benefits accruing or arising under any Contract or plan for individuals employed at any of the Sites by the Party or its Affiliates transferring the Transferred Assets or the Operating Agent for the Transferred Assets, with respect to the period on or prior to the Closing Date;

(l) any Liabilities of LADWP with respect to the Settlement Agreement and Mutual Release (in effect as of the date hereof and not as further amended or restated by any of the remaining parties thereto) by and among Peabody Western Coal Company, SRP, LADWP, Arizona Public Service Company, NV Energy, Tucson Electric Power Company and the United States of America, acting through the Secretary of the Interior (the "Settlement Agreement");

(m) with respect to capital expenditures relating to the NGS Assets, LADWP shall be, and relating to the Mohave Assets, SRP shall be, responsible for those Liabilities for those capital expenditures that have become due and payable on or before the Closing Date, and the other party shall be responsible for those capital expenditures that become due and payable after the Closing Date; provided, that those billing practices occur in the ordinary course of business in accordance with historical practice;

(n) with respect to the Lease, LADWP shall retain liability for those payments owed to the Navajo Nation under the Lease Amendment following approval by the U.S. Department of the Interior that relate to periods on or prior to the Closing Date, even though those payments are to be made after the Closing Date; and

(o) all remaining Liabilities of SRP for closure, decommissioning and reclamation costs in respect of the Mohave Assets including the Mohave Ash Decommissioning Obligations, and of LADWP for the closure, decommissioning and reclamation costs in respect of the NGS Assets, including the NGS Ash Decommissioning Obligations; provided that, the Parties agree and acknowledge that any and all Liabilities arising out of the closure, decommissioning and reclamation in respect of the NGS Assets, including the NGS Ash Decommissioning Obligations shall be allocated between SRP and LADWP in the manner set forth and agreed between the Parties in Section 6.1 hereof, and that allocation shall govern and take precedence (as between the Parties) over any conflicting allocation proposed or imposed by any third party, including any Governmental Authority with jurisdiction over the NGS Assets and/or one or both of the Parties, but that allocation shall not apply with respect to any fines, penalties or similar punitive charges of any Governmental Authority related to that decommissioning, as to which each Party shall retain its respective liability.

All Excluded Liabilities which remain the sole responsibility of LADWP (or its Affiliates, as applicable) as provided above are hereinafter collectively referred to as the "LADWP Excluded Liabilities." All Excluded Liabilities which remain the sole responsibility of SRP (or its Affiliates, as applicable) as provided above are hereinafter collectively referred to as the "SRP Excluded Liabilities."

Section 2.5 Purchase Price. The purchase price for the NGS Assets shall be:

(a) Cash Payment at Closing. On the Closing Date, SRP shall pay LADWP \$10,000,000, as adjusted pursuant to Section 9.2 (the "Cash Purchase Price"), which amount shall be paid by SRP by wire transfer of immediately available funds at the Closing.

(b) Mohave Assets Transfer. On the Closing Date, SRP shall transfer to LADWP the Mohave Assets, as set forth more fully in Recital C, Section 2.1, and Section 9.1(b).

The Cash Purchase Price and the transfer of the Mohave Assets are collectively referred to as the "Purchase Price."

Section 2.6 Estimated Closing Statement. At least five (5) Business Days prior to the Closing Date, SRP shall prepare and deliver to LADWP an estimated closing statement (the "Estimated Closing Statement") that shall set forth the Cash Purchase Price, as adjusted to take into account SRP's good faith estimate of all Closing pro rations and adjustments (if any) to the Cash Purchase Price pursuant to Section 9.2 (the "Estimated Cash Purchase Price"), including a schedule setting forth the calculation of the estimated adjustments in reasonable detail and all supporting documentation reasonably satisfactory to LADWP. LADWP shall provide SRP with LADWP's wiring instructions as to the disbursement of the Estimated Cash Purchase Price.

Section 2.7 Post-Closing Statement. Within sixty (60) days following the Closing Date, SRP shall prepare and deliver to LADWP a post-closing statement that shall set forth the actual pro rations and adjustments (if any) to the Cash Purchase Price pursuant to Section 9.2, (the Cash Purchase Price as finally determined in accordance with the terms of this Agreement the "Final Cash Purchase Price") including any corrections to the Estimated Closing Statement and the amount, if any, by which the Final Cash Purchase Price differs from the Estimated Cash Purchase Price (the "Post-Closing Statement"). If SRP fails to deliver the Post-Closing Statement within that period, LADWP may deliver the Post-Closing Statement at any time thereafter prior to a Post-Closing Statement being delivered by SRP. The applicable receiving Party shall have thirty (30) days after its receipt thereof to review and make inquiry concerning the Post-Closing Statement and shall be deemed to have approved the Post-Closing Statement (and the Post-Closing Statement shall be deemed final, binding and conclusive for all purposes hereunder) unless the receiving Party objects thereto by notice in writing (a "Dispute Notice") prior to the end of the thirty (30) day period. The delivering Party shall disclose upon written request of the receiving Party all factual information and accounting methodology used in the preparation of the Post-Closing Statement. If the receiving Party timely delivers a Dispute Notice pursuant to this Section 2.7, the dispute shall be resolved pursuant to Section 2.8, and any resulting payment or refund (based on the difference between the Final Cash Purchase Price and the Estimated Cash Purchase Price) shall be made by the paying Party within ten (10) days after the Post-Closing Statement has become final, binding and conclusive for all purposes hereunder pursuant to this Section 2.7 or Section 2.8, as applicable. That payment shall be made by the applicable Party by wire transfer of immediately available funds to an account designated in writing by the receiving Party. The Post-Closing Statement shall become final, binding and conclusive for all purposes hereunder upon the earliest of: (a) mutual agreement of the Parties, (b) thirty (30) days after the delivery of the Post-Closing Statement pursuant to this Section 2.7 (in the event that the receiving Party fails to timely deliver a Dispute Notice), or (c) upon the determination of the Final Cash Purchase Price by the Independent Accountants pursuant to Section 2.8.

Section 2.8 Procedures for Certain Cash Purchase Price Adjustments. In the event the Party receiving the Post-Closing Statement timely delivers a Dispute Notice pursuant to Section 2.7, the Parties shall attempt in good faith to resolve any differences and issues described in the Dispute Notice as promptly as practicable. If those differences and issues are resolved, then the Post-Closing Statement, as adjusted for any changes agreed upon by the Parties, shall be final, binding and conclusive for all purposes hereunder. If the Parties have not agreed upon the final form of Post-Closing Statement within thirty (30) days following delivery of the Dispute Notice, then either Party may elect to resolve the dispute pursuant to this Section 2.8. If either Party notifies the other in writing of that election, Grant Thornton LLP (the "Independent Accountants") shall resolve the dispute hereunder. All fees and costs of the Independent Accountants shall be divided equally between the Parties and paid when due to the Independent Accountants. The Independent Accountants may hold proceedings and consult experts as they deem necessary or appropriate to resolve the dispute, and shall endeavor to do so within thirty (30) days after being appointed. The Parties agree to cooperate with the Independent Accountants and to provide promptly all information requested by the Independent Accountants, subject to obtaining assurances that that information will be kept confidential and used solely for purposes of the resolution of the dispute hereunder and for purposes of enforcing in a court of competent jurisdiction any determination rendered by the Independent Accountants. The Independent Accountants shall promptly notify both Parties in writing of its findings and determinations, which shall be final, binding and conclusive for all purposes hereunder, absent manifest error.

Section 2.9 Limitation on Prohibited Assignments. Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign and transfer any Transferred Asset or any right thereunder if an attempted assignment and transfer, without the approval of, or other action by, any Person (other than the transferring Party or any of its Affiliates) would constitute a breach thereunder or of any Contract relating thereto (collectively, "Non-Assignable Assets"). Where the necessary approval or other action is not obtained or taken by the applicable Person with respect to any Non-Assignable Asset prior to the Closing: (x) that Non-Assignable Asset shall be deemed excluded from the Transferred Assets (and the defined terms therein) for all purposes hereunder, (y) the Parties shall continue to use commercially reasonable efforts to obtain the necessary approval or other action to assign and transfer that Non-Assignable Asset, and (z) if consent is not obtained, the transferring Party shall continue to hold that Non-Assignable Asset and, to the extent permitted by Law and the terms of any applicable Contract, continue to perform or operate that Non-Assignable Asset for the benefit of the Party purchasing that asset, passing on to it all economic and other benefits of that asset, but at the receiving Party's sole Liability, cost and expense, as if the Non-Assignable Asset had been assigned and transferred to that other Party at the Closing. Once the necessary approval or other action is obtained from or taken by the applicable Person to permit the assignment and transfer of that Non-Assignable Asset to the other Party, then that Non-Assignable Asset shall be deemed to be included in the Transferred Assets (and the defined terms therein) and shall be deemed to have been automatically assigned and transferred to the other Party on the terms set forth in this Agreement as of the Closing, for no additional consideration.

Section 2.10 2020 Purchase Price Adjustment. On or before September 30, 2020, SRP shall prepare and deliver to LADWP a proposed adjustment to the Final Cash Purchase Price in accordance with the methodology set forth on Appendix 2.10 including all factual information and accounting methodology used in the preparation of the adjustment (the "Market Price Adjustment"). LADWP shall have ten (10) days after its receipt thereof to review and make inquiry concerning the Market Price Adjustment and shall be deemed to have approved the Market Price Adjustment (and

the Market Price Adjustment shall be deemed final, binding and conclusive for all purposes hereunder) unless LADWP objects thereto by notice in writing prior to the end of the ten (10) day period (a "Market Price Dispute Notice"). If LADWP timely delivers a Market Price Dispute Notice pursuant to this Section 2.10, the dispute shall be resolved by the Independent Accountants in the similar manner set forth in Section 2.8, and any resulting Purchase Price adjustment shall be made by the paying Party within ten (10) days after the Market Price Adjustment has become final, binding and conclusive for all purposes hereunder pursuant to this Section 2.10 or Section 2.8, as applicable. Subject to Section 2.11, that payment shall be made by the applicable Party by wire transfer of immediately available funds to an account designated in writing by the receiving Party. The Market Price Adjustment shall become final, binding and conclusive for all purposes hereunder upon the earliest of: (a) mutual agreement of the Parties, (b) ten (10) days after the delivery of the Market Price Adjustment pursuant to this Section 2.10 (in the event that the LADWP fails to timely deliver a Market Price Dispute Notice), or (c) upon the determination of the final Market Price Adjustment by the Independent Accountants pursuant to Section 2.8.

Section 2.11 Set-off. No payment obligations under this Agreement shall be netted and offset against each other.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF LADWP

LADWP represents and warrants to SRP that the statements contained in this Article 3, except as set forth in the Schedules: (a) are true and correct as of the Effective Date; and (b) will be true and correct as of the Closing Date, in each case except to the extent another date is specified, in which case as of that date. No disclosure in the Schedules relating to any possible breach or violation of any Contract or Law shall be construed as an admission or indication that any such breach or violation exists or has actually occurred or that the matter disclosed meets the required materiality threshold.

Section 3.1 Organization and Power. LADWP is a department duly organized and existing under the Charter of the City of Los Angeles, California and the laws of the state of California. LADWP has full right, power and authority to enter into this Agreement and the other Transaction Agreements to which LADWP is a Party and to perform all of its obligations with respect to the Transactions.

Section 3.2 Binding Obligations of LADWP.

(a) The execution, delivery and performance by LADWP of this Agreement and the Transaction Agreements to which LADWP is a party, and the consummation of the Transactions by LADWP, have been duly and effectively authorized by all necessary actions of LADWP, the Board of Water and Power Commissioners, the City of Los Angeles and the State of California, to the extent so required.

(b) This Agreement has been, and at the Closing each other Transaction Agreement to which LADWP is a party will be, duly executed and delivered by LADWP. Assuming the due authorization, execution and delivery by SRP, this Agreement constitutes, and at the Closing each other Transaction Agreement to which LADWP is a party will constitute, the legal, valid and binding obligation of LADWP enforceable against LADWP in accordance with their respective terms, subject to (i) applicable bankruptcy, insolvency, reorganization, moratorium and other Laws

of general application now or hereafter in effect relating to creditors' rights generally, and (ii) general principles of equity, public policy and commercial reasonableness regardless of whether enforcement is sought in a proceeding at law or in equity (collectively, the "Enforceability Exceptions").

Section 3.3 No Breach or Conflict. The execution, delivery and performance by LADWP of this Agreement and the other Transaction Agreements to which LADWP is a party, and the consummation of the Transactions by LADWP do not:

(a) conflict with or result in a breach of any provision of the Charter of the City of Los Angeles, California or organizational documents of LADWP;

(b) subject to obtaining the Governmental Approvals and consents and making the filings and notices identified in Schedule 3.4(b), contravene any Law applicable to LADWP; or

(c) subject to obtaining the Non-Governmental Approvals identified in Schedule 3.4(a) and obtaining the Governmental Approvals and consents and making the filings and notices identified in Schedule 3.4(b), result in any breach of, constitute a default (or an event that, with notice or lapse of time or both, could become a default) under, give rise to any right of termination, amendment, modification, acceleration or cancellation of, give rise to any increased, guaranteed, accelerated or additional payments, rights or entitlements of any Person or otherwise adversely affect any rights of LADWP under, or result in the creation of any Encumbrance on any NGS Asset pursuant to, any material Contract to which LADWP is a party and SRP is not a party or is otherwise bound by or by which LADWP or the NGS Assets are bound by and which SRP is not a party or is otherwise bound by.

Section 3.4 Approvals.

(a) Except as set forth in Schedule 3.4(a) or 4.4(a) or Non-Governmental Approvals under Contracts or other arrangements to which SRP is a party or is otherwise bound by, the execution, delivery and performance by LADWP of this Agreement and the consummation of the Transactions by LADWP do not require any Non-Governmental Approvals that have not been obtained or made.

(b) Except as set forth in Schedule 3.4(b) or 4.4(b), the execution, delivery and performance by LADWP of this Agreement and the consummation of the Transactions by LADWP do not require any Governmental Approval or filing with, consent of or notice to any Governmental Authority.

Section 3.5 Anti-Corruption. LADWP has not made any bribes, illegal kickback payments or other illegal payments in violation of any applicable Law with respect to the ownership, operation and use of the NGS Assets. Without limiting the foregoing, LADWP and, to LADWP's Knowledge, its Representatives (in their capacities as such) are in full compliance with all applicable Laws governing corrupt practices and bribery of government officials with respect to the ownership, operation and use of the NGS Assets.

Section 3.6 Real Property.

(a) LADWP has good and valid title to, or good and valid leasehold or easement interests in, as applicable, its undivided interest in the NGS Site, free of all Encumbrances other than Permitted Encumbrances.

(b) Except (i) as set forth in or contemplated by the Transaction Agreements, and (ii) as permitted pursuant to the NGS Co-Tenancy Agreement, and the agreements included in the definition of "Project Agreements" in that agreement (such agreements collectively with the NGS Co-Tenancy Agreement, the "NGS Project Agreements"), LADWP has granted no leases, subleases or licenses granting to any Person the right to use or occupy all or any portion of the NGS Site.

Section 3.7 NGS Assets. LADWP has good and valid title to or a valid leasehold interest in all of the NGS Assets, free and clear of all Encumbrances except Permitted Encumbrances and those set forth in the NGS Site Survey.

Section 3.8. NGS Assigned Contracts.

(a) Schedule 3.8 sets forth a true and correct list of each NGS Assigned Contract involving an expenditure of at least \$10,000 by LADWP in any year to which the SRP is not already a party. True, complete and correct copies of each of the NGS Assigned Contracts, including any related amendments thereto, as in effect on the date hereof have been provided to SRP prior to the date of this Agreement.

(b) Each NGS Assigned Contract to which SRP is not a party or is otherwise bound by is in full force and effect and, subject to the Enforceability Exceptions is a valid, binding and enforceable obligation of LADWP and, to LADWP's Knowledge, of the other parties thereto, except where the failure to be in full force and effect or to constitute a valid, binding and enforceable obligation would not materially adversely affect the continued use and operation of the Transferred Asset to which the Contract relates, as currently conducted. LADWP is not in material breach of or material default under any NGS Assigned Contract, nor has LADWP received any claim of any material breach or material default of an NGS Assigned Contract by LADWP or the NGS Operating Agent during the past three years, and to the Knowledge of LADWP, no event or circumstance has occurred that, with the giving of notice or the lapse of time or both, would reasonably be expected to constitute a material breach or material default of an NGS Assigned Contract. To LADWP's Knowledge, no other party to any NGS Assigned Contract to which SRP is not a party or is otherwise bound by is in material breach thereof or material default thereunder, except as would not have a materially adversely affect the continued use and operation of the Transferred Asset to which the Contract relates, as currently conducted. LADWP has not received any written notice from any other party to any NGS Assigned Contract that the party intends to terminate any NGS Assigned Contract.

Section 3.9 Litigation and Proceedings. There are no actions, suits, claims or proceedings pending or, to LADWP's Knowledge, threatened against LADWP with respect to the Transactions or this Agreement at law or in equity, or before or by any Governmental Authority, in any case which would reasonably be expected to delay, prevent, result in rescission or modification of or otherwise unwind the Transactions or any portion thereof or which would reasonably be expected to have a Material Adverse Effect on LADWP. There are no actions, suits or proceedings, demands, claims, investigations or inquiries pending or, to LADWP's Knowledge, threatened, against LADWP at law or in equity, or before or by any Governmental Authority, regardless of whether the dispute or matter

would be covered by insurance or other indemnity, in each case that would reasonably be expected to have a Material Adverse Effect on LADWP.

Section 3.10 Brokers. Except for a commission payable by LADWP to Goldman Sachs & Co., for which LADWP shall be solely responsible, no broker, finder, investment banker or other Person is entitled to any brokerage, finder's or other fee or commission in connection with this Agreement or the Transactions based upon any agreements or arrangements or commitments, written or oral, made by or on behalf of LADWP or any Affiliate of LADWP.

Section 3.11 Disclaimer. Except for the representations and warranties set forth in this Agreement, LADWP makes no representations or warranties with respect to the NGS Assets. **THE NGS ASSETS ARE BEING SOLD "AS IS, WHERE IS, AND WITH ALL FAULTS," AND LADWP HAS EXPRESSLY DISCLAIMED ANY OTHER REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, EXPRESS, STATUTORY OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY, SUITABILITY, USAGE, SUFFICIENCY, WORKMANSHIP, FITNESS FOR ANY PARTICULAR PURPOSE AND COMPLIANCE WITH LAW OF ANY KIND, OR THE ABSENCE OF ANY DEFECTS, WHETHER LATENT OR PATENT.**

Section 3.12 Mohave Assets; Opportunity for Independent Investigation. LADWP is an informed and sophisticated purchaser, knowledgeable about the industry in which SRP operates, and experienced in investments in those businesses. Prior to its execution of this Agreement, LADWP has conducted to its satisfaction an independent investigation and verification of the current condition of the Mohave Assets. In making its decision to execute this Agreement, consummate the Transactions, acquire the Mohave Assets and assume the Mohave Assumed Liabilities, LADWP has relied and will rely solely upon the results of its independent investigation and verification and the express representations and warranties set forth in this Agreement (as modified by SRP's Schedules) and in any of the other Transaction Agreements effecting the transfer of the Mohave Assets.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF SRP

SRP represents and warrants to LADWP that the statements contained in this Article 4, except as set forth in the Schedules: (a) are true and correct as of the Effective Date; and (b) will be true and correct as of the Closing Date, in each case except to the extent another date is specified, in which case as of that date. No disclosure in the Schedules relating to any possible breach or violation of any Contract or Law shall be construed as an admission or indication that any such breach or violation exists or has actually occurred or that the matter disclosed meets the required materiality threshold.

Section 4.1 Organization and Power. SRP is an agricultural improvement district and is a political subdivision duly organized and existing under the laws of the State of Arizona, is qualified to do business in the State of Arizona and has full right, power and authority, in each case as a political subdivision, to enter into this Agreement and the other Transaction Agreements to which SRP is a Party, and to perform all of its obligations with respect to the Transactions.

Section 4.2 Binding Obligations of SRP.

(a) The execution, delivery and performance by SRP of this Agreement and the Transaction Agreements to which SRP is a party, and the consummation of the Transactions by SRP, have been duly and effectively authorized by all necessary actions of SRP.

(b) This Agreement has been, and at the Closing each other Transaction Agreement to which SRP is a party will be, duly executed and delivered by SRP. Assuming the due authorization, execution and delivery by LADWP, this Agreement constitutes, and at the Closing each other Transaction Agreement to which SRP is a party will constitute, the legal, valid and binding obligation of SRP enforceable against SRP in accordance with their respective terms, subject to the Enforceability Exceptions.

Section 4.3 No Breach or Conflict. The execution, delivery and performance by SRP of this Agreement and the other Transaction Agreements to which SRP is a party, and the consummation of the Transactions by SRP, do not:

(a) conflict with or result in a breach of any provision of the organizational documents of SRP;

(b) subject to obtaining the Governmental Approvals and consents and making the filings and notices identified in Schedule 4.4(b), contravene any Law applicable to SRP, or

(c) subject to obtaining the Non-Governmental Approvals identified in Schedule 4.4(a) and obtaining the Governmental Approvals and consents and making the filings and notices identified in Schedule 4.4(b), result in any breach of, constitute a default (or an event that, with notice or lapse of time or both, could become a default) under, give rise to any right of termination, amendment, modification, acceleration or cancellation of, give rise to any increased, guaranteed, accelerated or additional payments, rights or entitlements of any Person or otherwise adversely affect any rights of SRP under, or result in the creation of any Encumbrance on any Mohave Assets pursuant to, any material Contract to which SRP is a party and LADWP is not a party or is otherwise bound by or by which SRP or the Mohave Assets are bound by and which LADWP is not a party or is otherwise bound by.

Section 4.4 Approvals.

(a) Except as set forth in Schedules 3.4(a) or 4.4(a) or Non-Governmental Approvals under Contracts or other arrangements to which LADWP is a party or is otherwise bound by, the execution, delivery and performance by SRP of this Agreement and the consummation of the Transactions by SRP do not require any Non-Governmental Approvals that have not been obtained or made.

(b) Except as set forth in Schedules 3.4(b) or 4.4(b), the execution, delivery and performance by SRP of this Agreement and the consummation of the Transactions by SRP do not require any Governmental Approvals or filing with, consent of or notice to any Governmental Authority.

Section 4.5 Anti-Corruption. SRP has not made any bribes, illegal kickback payments or other illegal payments in violation of any applicable Law with respect to the ownership, operation

and use of the Mohave Assets or the Mohave Sites. Without limiting the foregoing, SRP and, to SRP's Knowledge, its Representatives (in their capacities as such) are in full compliance with all applicable Laws governing corrupt practices and bribery of government officials with respect to the ownership, operation and use of the Mohave Assets and Mohave Sites.

Section 4.6 Real Property.

(a) [Intentionally omitted.]

(b) Except as set forth in or contemplated by the Transaction Agreements, SRP has granted no leases, subleases or licenses granting to any Person the right to use or occupy all or any portion of Mohave Sites.

Section 4.7 Mohave Assets. SRP has title to (excluding Owned Real Property and Easements) or a valid leasehold interest in all of the Mohave Assets and all Mohave Assets are (a) free and clear of all financial Encumbrances and (b) free and clear of all other Encumbrances, in each case resulting from any action by SRP acting independently from the Operating Agent and/or other Co-Tenants, and except, in each case, for Permitted Encumbrances. SRP has not transferred its interests in the Mohave Sites to any other Person, except for encumbrances that appear of record or for Permitted Encumbrances; provided, however, that SRP makes no representation or warranty with respect to any transfers of any interest in the Mohave Sites to the extent arising out of any act or omission of the Operating Agents for the respective Mohave Sites, or to any transfer as to which LADWP is also a party.

Section 4.8 Mohave Assigned Contracts.

(a) Schedule 4.8 sets forth a true and correct list of each Mohave Assigned Contract involving an expenditure of at least \$10,000 by SRP in any year to which the LADWP is not already a party. True, complete and correct copies of each of the Mohave Assigned Contracts, including any related amendments thereto, as in effect on the date hereof have been provided to LADWP prior to the date of this Agreement.

(b) Each Mohave Assigned Contract to which LADWP is not a party or is otherwise bound by is in full force and effect and, subject to the Enforceability Exceptions is a valid, binding and enforceable obligation of SRP and, to SRP's Knowledge, of the other parties thereto, except where the failure to be in full force and effect or to constitute a valid, binding and enforceable obligation would not materially adversely affect the continued use and operation of the Transferred Asset to which the Contract relates, as currently conducted. SRP is not in material breach of or material default under any Mohave Assigned Contract, nor has SRP received any claim of any material breach or material default of an Mohave Assigned Contract by SRP or the Mohave Operating Agent during the past three years, and no event or circumstance has occurred that, with the giving of notice or the lapse of time or both, would reasonably be expected to constitute a material breach or material default of a Mohave Assigned Contract. To SRP's Knowledge, no other party to any Mohave Assigned Contract to which LADWP is not a party or is otherwise bound by is in material breach thereof or material default thereunder, except as would not have a materially adversely affect the continued use and operation of the Transferred Asset to which the Contract relates, as currently conducted. SRP has not received any written notice from any other party to any Mohave Assigned Contract that the party intends to terminate any Mohave Assigned Contract. Notwithstanding the foregoing, SRP makes no representations or warranties with respect to the

existence, validity, binding effect or enforceability of any of the Mohave Project Agreements, all of which have expired in accordance with their terms.

Section 4.9 Litigation and Proceedings. There are no actions, suits, claims or proceedings pending or, to SRP's Knowledge, threatened against SRP with respect to the Transactions or this Agreement at law or in equity, or before or by any Governmental Authority, in any case which would reasonably be expected to delay, prevent, result in rescission or modification of or otherwise unwind the Transactions or any portion thereof or which would reasonably be expected to have a Material Adverse Effect on SRP. There are no actions, suits or proceedings, demands, claims, investigations or inquiries pending or, to SRP's Knowledge, threatened, against SRP at law or in equity, or before or by any Governmental Authority, regardless of whether the dispute or matter would be covered by insurance or other indemnity, in each case that would reasonably be expected to have a Material Adverse Effect on SRP.

Section 4.10 Brokers. No broker, finder, investment banker or other Person is entitled to any brokerage, finder's or other fee or commission in connection with this Agreement or the Transactions based upon any agreements or arrangements or commitments, written or oral, made by or on behalf of SRP or any Affiliate of SRP.

Section 4.11 Disclaimer. Except for the representations and warranties set forth in this Agreement, SRP makes no representations or warranties with respect to the Mohave Assets. **THE MOHAVE ASSETS ARE BEING SOLD "AS IS, WHERE IS, AND WITH ALL FAULTS," AND SRP HAS EXPRESSLY DISCLAIMED ANY OTHER REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, EXPRESS, STATUTORY OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY, SUITABILITY, USAGE, SUFFICIENCY, WORKMANSHIP, FITNESS FOR ANY PARTICULAR PURPOSE AND COMPLIANCE WITH LAW OF ANY KIND, OR THE ABSENCE OF ANY DEFECTS, WHETHER LATENT OR PATENT.**

Section 4.12 NGS Assets; Opportunity for Independent Investigation. SRP is an informed and sophisticated purchaser, knowledgeable about the industry in which LADWP operates, and experienced in investments in those businesses, including by virtue of its position as the NGS Operating Agent. Prior to its execution of this Agreement, SRP has conducted to its satisfaction an independent investigation and verification of the current condition of the NGS Assets. In making its decision to execute this Agreement, consummate the Transactions, purchase the NGS Assets and assume NGS Assumed Liabilities, SRP has relied and will rely solely upon the results of its independent investigation and verification and the express representations and warranties set forth in this Agreement (as modified by LADWP's Schedules) and in any of the other Transaction Agreements effecting the transfer of the NGS Assets.

ARTICLE 5 COVENANTS AND AGREEMENTS OF LADWP AND SRP

Section 5.1 Efforts to Close.

(a) Commercially Reasonable Efforts. Each of the Parties agrees to use its commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under Law to close, consummate and make effective the Transactions, including the satisfaction of all conditions to Closing set forth herein. Those actions

shall include exerting commercially reasonable efforts to obtain all Governmental Approvals and Non-Governmental Approvals set forth in Schedules 3.4(a), 3.4(b), 4.4(a) and 4.4(b) (to which that Party is obligated to obtain), as applicable, without material expenditure of funds, and all other necessary registrations and filings. Without limiting the foregoing, each Party, as promptly as practicable, shall use its commercially reasonable efforts to: (a) make, or cause to be made, all filings and submissions required to be made by it under applicable Law to consummate the Transactions; (b) obtain, or cause to be obtained, all Governmental Approvals or Non-Governmental Approvals (including waivers of rights of first refusal by any Participants) necessary for it to consummate the Transactions; (c) take or cause to be taken all other actions necessary and proper to fulfill its obligations hereunder; and (d) coordinate and cooperate with the other Party in providing information and supplying assistance as may be reasonably requested by the other Party, a Governmental Authority or other Person in connection with the foregoing. Notwithstanding anything in this Agreement to the contrary, however, a Party's obligation to use commercially reasonable efforts pursuant to this Section 5.1(a) shall not be construed as requiring the Party, at any time to (i) acknowledge the applicability of any Law with applicability to or the jurisdiction of any Governmental Authority over that Party that does not currently apply to or have jurisdiction over the Party, respectively, or (ii) accept any new condition, requirement or restriction purported to be imposed on the Party by any Governmental Authority in connection with these Transactions.

(b) Control over Proceedings and Communications. Each Party shall use its commercially reasonable efforts to furnish to the other Party all information required for any application or other filing to be made pursuant to any Law in connection with the Transactions. Subject to applicable Law, each Party will keep the other Party reasonably informed of oral communications with, and will provide the other with copies of all written communications to or from, Governmental Authorities relating to the Transactions. Subject to the foregoing, all analyses, appearances, presentations, memoranda, briefs, arguments, opinions and proposals made or submitted by or on behalf of a Party before any Governmental Authority in connection with the approval of the Transactions shall be subject to the control of that Party. The Parties will use commercially reasonable efforts to consult and cooperate with one another, and will consider in good faith the views of one another, in connection with any such analysis, appearance, presentation, memorandum, brief, argument, opinion and proposal.

Section 5.2 Prior Agreements. The Confidentiality Agreement shall terminate and its terms shall no longer apply or have any further force or effect from and after the Closing Date.

Section 5.3 No Public Announcement. Without the prior approval of SRP and LADWP (which shall not be unreasonably withheld, delayed or conditioned), neither Party nor any of their respective Affiliates or their respective managers, directors, officers, employees, or agents shall make any press release or other public announcement concerning the Transactions except as may be required by any applicable Law. If any Party determines, in its reasonable discretion, that it is required by applicable Law to make any press release or other public announcement, it shall send notice to that effect, accompanied by the text of the proposed press release or public announcement, to the other Party as far in advance as practicable, and shall reasonably consider any comments made by the other Party relating to the proposed press release or public announcement. The foregoing shall not apply with respect to (i) information required to be disclosed to obtain any necessary Governmental Approval of any Governmental Authority or Non-Governmental Approvals of any other Person required for the Transactions or to perform its covenants and agreements under this Agreement; or (ii) information included in filings made with any proceedings involving a Party's board of directors or its committees or any information to the extent it is reasonably determined by

that Party to be required to be disclosed pursuant to public meeting laws or public records requests so long as, to the extent legally permissible, the Party provides the other Party with reasonable prior notice of public records requests.

Section 5.4 Tax Matters.

(a) Except as otherwise provided herein, each Party shall bear all Taxes imposed on it as a result of the Transactions. Each Party shall timely file, to the extent required by or permissible under applicable Law, all Tax Returns and other documentation with respect to any such Taxes in each case required to be filed by that Party.

(b) Unless otherwise required by applicable Law, (i) all Liabilities for Taxes in the nature of sales or transfer taxes (including real estate transfer taxes) incurred as a result of the sale of the NGS Assets hereunder (the "NGS Transfer Taxes") shall be divided equally between the Parties, (ii) the Parties shall file in a timely manner all necessary documents (including all Tax Returns) with respect to those NGS Transfer Taxes, and (iii) each Party shall provide the other Party with evidence satisfactory to such receiving Party that the NGS Transfer Taxes have been paid.

(c) Unless otherwise required by applicable Law, (i) all Liabilities for Taxes in the nature of sales or transfer taxes (including real estate transfer taxes) incurred as a result of the sale of the Mohave Assets hereunder (the "Mohave Transfer Taxes") shall be divided equally between the Parties, (ii) the Parties shall file in a timely manner all necessary documents (including all Tax Returns) with respect to those Mohave Transfer Taxes, and (iii) each Party shall provide the other Party with evidence satisfactory to such receiving Party that the Mohave Transfer Taxes have been paid.

(d) With respect to Taxes prorated in accordance with Section 9.2 of this Agreement, SRP shall prepare and timely file all Tax Returns which it is required to file after Closing with respect to the NGS Assets and the Mohave Assets, if any, and LADWP shall prepare and timely file all Tax Returns which it is required to file after Closing with respect to the NGS Assets and the Mohave Assets, if any, and the filing party shall each duly and timely pay all Taxes shown to be due on those Tax Returns (provided that the other Party shall reimburse the filing Party for its prorated portion of those Taxes, as determined in accordance with Section 9.2), and shall provide copies of those Tax Returns and evidence of payment to the other Party. Each Party shall promptly notify the other of any notice of any suit, claim, action, investigation, audit or proceeding pending in respect of its Tax Returns (or any significant developments with respect to ongoing suits, claims, actions, investigations, audits or proceedings in respect of its Tax Returns) to the extent the other Party may have liability as a result of or otherwise be affected by those proceedings.

Section 5.5 Post-Closing Cooperation. After Closing, upon prior reasonable written request, each Party shall use commercially reasonable efforts to cooperate with the other Party in furnishing records, information, testimony and other assistance in connection with any inquiries, actions, audits, proceedings or disputes involving the NGS Assets, the Mohave Assets, the Excluded Assets and the Excluded Liabilities, but excluding any disputes between the Parties. The requesting Party shall reimburse the cooperating Party for any reasonable and documented out-of-pocket expenses paid or incurred by the cooperating Party as a result of that requested cooperation.

Section 5.6 Expenses. Whether or not the Transactions are consummated, except as otherwise provided in this Agreement, all costs and expenses incurred in connection with this

Agreement and the Transactions shall be paid by the Party incurring those expenses, except that (a) the costs of recording or filing any of the Transaction Agreements will be divided equally between the Parties, and (b) the Parties will each bear one-half of the total costs for the Phase 1 environmental site assessments performed by Ninyo & Moore pursuant to the terms of that certain proposal number P-95116 dated October 31, 2013, as amended (the “Phase 1 ESAs”), and if necessary or appropriate as mutually agreed by the Parties, one-half of the costs of any new or updated environmental site assessment and a Phase 2 environmental site assessments incurred prior to the Closing on each of the owned, leased and easement interests in the real property related to the Sites.

Section 5.7 Waiver of Sovereign Powers/Exceptions. Each Party is a political subdivision of its respective state of organization. As such, each Party may be entitled to certain privileges and immunities. Each Party acknowledges and agrees that its governmental status, powers and authorities will not impair, impede or interfere with the performance of its covenants and agreements under this Agreement or any of the other Transaction Agreements or with the rights and benefits of the other Party hereunder or thereunder. Each Party further acknowledges and agrees that, to the extent permitted by applicable Law, it waives and agrees not to use any of its governmental status, powers and authorities, including the power of eminent domain, that would impair, impede or interfere with the performance of its covenants and agreements under this Agreement or any of the other Transaction Agreements or with the rights and benefits of the other Party hereunder or thereunder. With respect to this Agreement and each other Transaction Agreement, each Party irrevocably agrees that, to the fullest extent permitted by applicable law, it will not assert any immunity it may have as a public entity under applicable Law from lawsuits with respect to this Agreement. Notwithstanding the foregoing, (a) neither Party waives any immunities or other privileges or rights to which such Party may be entitled that may not be waived by such Party under Laws applicable to such Party, and (b) this waiver of immunity shall not apply to any action brought personally against an employee of (i) LADWP, (ii) the City of Los Angeles, or (iii) SRP, or in each case of sub-clause (i), (ii) or (iii), their respective attorneys. Notwithstanding the foregoing, (1) SRP does not waive any immunities or other privileges or rights to which SRP may be entitled by virtue of the provisions of Arizona Revised Statutes §§ 12-820.04, 12-821 and 12-821.01, or any successor statute or statutes thereto, and (2) LADWP does not waive any immunities or other privileges or rights to which LADWP may be entitled by virtue of the provisions of California Government Code, Title 1 Division 3.6, Sections 818, 911.2 and 910 through 910.8.

Section 5.8 Conduct of the Business Prior to the Closing.

(a) Unless the other Party shall otherwise agree in writing, or as otherwise expressly contemplated by or permitted by this Agreement, during the period from the Effective Date through the Closing or termination of this Agreement, the Party transferring the Transferred Assets shall (regarding the NGS Assets, subject to the terms of the NGS Project Agreements and any applicable rights, including approval rights, of all other NGS Participants):

(i) permit the applicable Operating Agent to operate and maintain the NGS Assets and the Mohave Assets, as applicable in the Ordinary Course, in accordance with Prudent Operating Practices, and, in all material respects: (x) in accordance with all applicable Laws relating to those operations, including all Environmental Laws and (y) in conformity with applicable Governmental Approvals, and to continue to maintain customary levels of Supplies;

(ii) permit the applicable Operating Agent to keep in full force and effect all NGS Assigned Contracts and Mohave Assigned Contracts, as applicable and Governmental Approvals pertaining to the NGS Assets and the Mohave Assets, as applicable;

(iii) not (or seek to have the applicable Operating Agent) delay, cancel or postpone: (x) any needed maintenance, repairs or warranty work on the NGS Assets or the Mohave Assets, as applicable or (y) any maintenance, repairs or warranty work, in each case, solely with the intent to cause in bad faith the maintenance, repairs or warranty work to be required to be undertaken or paid (in whole or in part) by the Party receiving the Transferred Assets after the Closing; and

(iv) take no action that is intended to or could reasonably be expected to have a Material Adverse Effect on LADWP or SRP or materially delay the ability of LADWP or SRP to obtain any necessary Governmental Approvals of any Governmental Authority or Non-Governmental Approvals of any other Person required for the Transactions.

(b) Without limitation of the foregoing, during the period from the Effective Date until the Closing or termination of this Agreement, except as expressly permitted by this Agreement, the Party transferring the Transferred Assets shall not, without the prior written consent of the other Party (regarding the NGS Assets, subject to the terms of the NGS Project Agreements and any applicable rights, including approval rights of all other Participants):

(i) sell, transfer, mortgage, lease or otherwise dispose of any of Transferred Assets to any Person, except in the Ordinary Course;

(ii) change in any material respect its current operating policies with respect to Transferred Assets, except as required by applicable Law, Prudent Operating Practices or this Agreement or any changes made in response to changes in market conditions;

(iii) other than in the Ordinary Course or at the request of the Party receiving the Transferred Assets, enter into, assume or amend in any material respect, or grant any material release or relinquish any material rights under, any NGS Assigned Contract or Mohave Assigned Contract or any new Contract that would constitute an NGS Assigned Contract or a Mohave Assigned Contract hereunder and result in a material Assumed Liability;

(iv) subject any Transferred Asset to any new Encumbrance, except for Permitted Encumbrances;

(v) commence or settle any legal action in a manner that would create an Encumbrance (other than Permitted Encumbrances) on any of the NGS Assets or any of the Mohave Assets, restrict the applicable Operating Agent's ability to operate the NGS Assets or the Mohave Assets thereafter or for which SRP or LADWP would have any direct or indirect liability; or

(vi) agree to take or make any commitment to take any of the actions prohibited by this Section 5.9(b).

(c) Notwithstanding anything to the contrary set forth in this Section 5.8, LADWP shall be entitled to take any action or refrain from taking any action as required to comply with applicable Laws, including, without limitation, California Senate Bill 1368, as codified under

California Code of Regulations, Title 20, section 2900 et seq. with respect to approvals of, or making any, capital expenditures.

Section 5.9 Schedule Updates. Prior to the Closing Date: (a) SRP shall give LADWP prompt written notice of any known development that would reasonably be expected to result in a failure of a condition set forth in Article 8, and (b) LADWP shall give SRP prompt written notice of any known development that would reasonably be expected to result in a failure of a condition set forth in Article 7. Not earlier than the tenth (10th) Business Day prior to the Closing Date or later than the Closing Date, each Party shall update, supplement or amend its Schedules hereto as necessary to complete or correct any information in the Schedules or in any representation or warranty of that Party that has been rendered inaccurate or incomplete since the Effective Date (the “Schedule Update”) and deliver the Schedule Update to the other Party. Any new disclosures in the Schedule Update that do not relate to events occurring or conditions arising (or, in the case of matters for which the Party’s disclosure obligation hereunder is limited to the Knowledge of that Party, events or conditions discovered) after the Effective Date shall not qualify the representations and warranties, or cure any misrepresentation or breach of warranty hereunder. For greater certainty, any new disclosures in the Schedule Update that only relate to events occurring or conditions arising after the Effective Date shall qualify the applicable representations and warranties and cure any related misrepresentation or breach of warranty hereunder. Notwithstanding the foregoing, however, to the extent that the Schedule Updates disclose matters that affect a Party’s conditions to Closing, the Party may take those matters into account in making the determination of whether those conditions are satisfied.

Section 5.10 Unit Shutdown. SRP and LADWP will use commercially reasonable efforts to cause the NGS Co-Tenants to enter into an agreement to permanently cease operating one generation unit of NGS from and after December 23, 2019; provided, however, that any agreement to permanently cease operation of one unit shall be subject to Articles IX and XI of the Lease Amendment if approved by the United States Secretary of the Interior.

Section 5.11 Consent and Waiver of Right of First Refusal. In the event one or more of the NGS Co-Tenants exercises the right of first refusal set forth in Section 12 of the NGS Co-Tenancy Agreement in connection with the consummation of the Transactions, the interest in the NGS Assets to be transferred pursuant to this Agreement and the Purchase Price shall both be reduced to reflect the pro rata interest in the NGS Assets to be purchased by the NGS Co-Tenant(s) exercising its right of first refusal, and LADWP and SRP will enter into an amendment to this Agreement to reflect those reductions and other changes that the Parties deem appropriate. SRP and LADWP hereby consent to the Transactions and waive any rights of first refusal granted them pursuant to Section 12 of the NGS Co-Tenancy Agreement for the Transactions, and any comparable provisions with respect to the other NGS Project Agreements and the Eldorado Project Agreements with respect to the Transactions on the terms set forth in this Agreement.

Section 5.12 Release, Covenant and Agreement.

(a) SRP hereby (i) releases LADWP, its Affiliates, the Board of Water and Power Commissioners, the City of Los Angeles, and all of their respective commissioners, officers, agents, employees, attorneys, consultants, advisors, representatives and successors or assigns of each from all Liabilities in respect of the NGS Assets arising under or related to the terms and conditions of the NGS Project Agreements to the extent assumed by SRP under the terms of this Agreement; (ii) covenants to use commercially reasonable efforts as Operating Agent to draft, present and seek

approval from the NGS Participants to amend the NGS Project Agreements, to reflect the transfer of the NGS Assets to SRP and the assumption by SRP of the NGS Assumed Liabilities in accordance with the terms of this Agreement, and to delete Section 29.2 of the NGS Co-Tenancy Agreement and comparable provisions of the other NGS Project Agreements; and (iii) covenants to use commercially reasonable efforts (provided that commercially reasonable efforts shall not include any NGS Participant making any payments in cash or in kind to the Navajo Nation or altering rights or obligations of the NGS Participants under the Lease) as Operating Agent to draft, present and seek approval from the NGS Participants and the Navajo Nation to amend the Lease, to provide that LADWP shall be a party to the Lease after the Closing solely with respect to its continuing ownership of the NGS Transmission Interests and not any of the NGS Assets (other than with respect to the Excluded Liabilities) and that costs will be allocated in the manner set forth in Navajo Project Coordinating Committee Agreements No. 121 and 122, each approved on March 4, 2015, as the same may be amended by the parties thereto in accordance with their respective terms.

(b) LADWP hereby (i) releases SRP, its Affiliates, and all of their respective board members, officers, agents, employees, attorneys, consultants, advisors, representatives and successors or assigns of each from all Liabilities in respect of the Mohave Assets arising under or related to the terms and conditions of the Eldorado Project Agreements to the extent assumed by LADWP under the terms of this Agreement; and (ii) covenants to use commercially reasonable efforts to draft, present and seek approval from the Mohave Participants to amend the Eldorado Project Agreements as promptly as reasonably possible following the consummation of the Transactions to reflect the transfer of the Eldorado Transmission Interest and the Eldorado Switchyard Interest to LADWP and the assumption by LADWP of the Mohave Assumed Liabilities related to the Eldorado Transmission Interest and the Eldorado Switchyard Interest in accordance with the terms of this Agreement.

Section 5.13 Termination Waiver. In the event SRP terminates this Agreement pursuant to Article X of this Agreement, SRP shall execute and deliver a waiver of its right of first refusal set forth in Section 12 of the NGS Co-Tenancy Agreement, in form and substance reasonably satisfactory to LADWP, which shall be applicable to any future sale or transfer by LADWP of any portion of the NGS Assets to any Person, entity or other NGS Participant at a price equal to or greater than the pro rata portion of the Purchase Price attributable to the portion of NGS Assets to be transferred (determined by comparing the portion of the NGS Assets to be transferred to the NGS Assets collectively).

Section 5.14 Air Permit. As promptly as reasonably possible after the Closing, SRP shall file the amendment of the Air Permit and use commercially reasonable efforts to seek its approval, to remove LADWP as an owner of the NGS Assets (provided that commercially reasonable efforts shall not include any NGS Participant making any payments in cash or in kind to the Navajo Nation or the United States or altering rights or obligations of the NGS Participants under the Lease or with respect to that Air Permit (other than LADWP who will be removed as an owner pursuant to such amendment of the Air Permit)).

Section 5.15 Separation Agreement. SRP and LADWP will use commercially reasonable efforts to cause the NGS Co-Tenants to (a) enter into an agreement pursuant to which NV Energy shall transfer its interest in NGS (excluding transmission) to the NGS Co-Tenants (and if it so elects to participate, the Bureau) (the "Separation Agreement") and (b) agree to enter into a separation agreement with LADWP on terms and conditions identical in all material respects to those contained

in the Separation Agreement, to the extent LADWP exercises its option granted to it under Section 5.16.

Section 5.16 Separation Agreement Alternative. Upon the termination of this Agreement in accordance with the terms of Article 10, SRP shall vote in favor of approving a separation agreement with LADWP on terms and conditions identical in all material respects to those contained in the Separation Agreement, provided that the NGS Participants are asked to vote on approving an agreement of that nature in which LADWP would be a party. SRP shall not be in breach of the foregoing covenant if any of the other NGS Participants do not approve that proposed agreement on those terms.

Section 5.17 Geothermal Sale. At the Closing, SRP and LADWP shall enter into a WSPP Confirmation Agreement substantially in the form attached as Appendix 5.17 (the "WSPP Confirmation Agreement").

ARTICLE 6 ADDITIONAL COVENANTS AND AGREEMENTS

Section 6.1 Decommissioning and Reclamation Costs. In the event that the NGS Participants elect to close or decommission all or any portion of NGS, then, as between SRP and LADWP, LADWP shall pay its pro rata share of those closure, decommissioning and reclamation costs (a) in respect of the NGS Assets other than the NGS Ash Decommissioning Obligations, based upon the length of LADWP's ownership or use of the applicable NGS Assets, compared to the total life of those NGS Assets from the origin of NGS until that closure, decommissioning or reclamation and (b) in respect of the NGS Ash Decommissioning Obligations, based upon the number of tons of ash deposited on the site that is the subject of the NGS Ash Decommissioning Obligations (whether on the NGS Site or offsite in respect of ash removed from the NGS Site and deposited elsewhere) during the length of LADWP's ownership or use of the applicable NGS Assets, compared to the total number of tons of ash deposited on the site that is the subject of the NGS Ash Decommissioning Obligations over the course of time until that closure, decommissioning or reclamation. Prior to the Closing, LADWP and SRP shall cooperate in good faith to prepare or cause to be prepared a study of the closure, decommissioning and reclamation for NGS for the purposes of establishing a baseline determination of the activities necessary for the closure, decommissioning and reclamation, and they shall share the cost of such study equally. Notwithstanding the foregoing, as between SRP and LADWP, any closure, decommissioning or reclamation costs to be paid by LADWP pursuant to this Section 6.1 shall not include any increased costs arising from any changes, modifications or additions to the NGS Assets after the Closing Date, except to the extent those changes, modifications or additions after the Closing Date are required by Law and to the extent directly attributable to pre-Closing operation or use.

Section 6.2 Waiver of Bulk Sales Law Compliance. Each Party hereby waives compliance by the other Party with the requirements, if any, of Article 6 of the Uniform Commercial Code as in force in any state in which any of the Transferred Assets are located and all other similar laws applicable to bulk sales and transfers.

Section 6.3 Resale Certificate. Each Party agrees to furnish to the other Party any resale certificate or certificates or other similar documents reasonably requested by the other Party to comply with pertinent sales and use tax laws.

ARTICLE 7
SRP'S CONDITIONS TO CLOSING

The obligations of SRP to consummate the Transactions shall be subject to fulfillment at or prior to the Closing of the following conditions, unless SRP waives the applicable conditions in writing:

Section 7.1 Termination of Agreement. This Agreement shall not have been duly terminated in accordance with the terms of Article 10.

Section 7.2 Representations and Warranties. The representations and warranties of LADWP set forth in Article 3 of this Agreement shall be true and correct in all material respects (if not qualified as to materiality or a Material Adverse Effect) and shall be true and correct (if so qualified) as of the Effective Date and the Closing Date, provided that to the extent that any such representations and warranties were made as of a specified date, those representations and warranties shall continue on the Effective Date and the Closing Date to be true and correct as of such specified date.

Section 7.3 Performance by LADWP. LADWP shall have performed and complied in all material respects with all of its covenants, agreements and obligations hereunder through the Closing Date.

Section 7.4 LADWP's Closing Certificate. SRP shall have received from LADWP an officer's certificate ("LADWP's Closing Certificate") dated as of the Closing Date and executed on LADWP's behalf by its chief executive officer, president, chief financial officer or treasurer or duly authorized vice president, in each case in his or her capacity as such, stating that the conditions provided in Section 7.2 and Section 7.3 have been satisfied.

Section 7.5 Governmental Approvals and Non-Governmental Approvals. All Non-Governmental Approvals and Governmental Approvals required for the consummation of the Transactions, including those listed on Schedules 3.4(a), 3.4(b), 4.4(a), 4.4(b), 7.5 and 8.5, shall have been obtained.

Section 7.6 Exercise or Waiver. Each of the Co-Tenants (excluding LADWP, SRP and, solely with respect to clauses (c) and (d) below, the Eldorado Co-Tenants) shall have (a) either exercised its right of first refusal granted pursuant to the NGS Project Agreements and the Eldorado Project Agreements, as applicable (and, in the event of an exercise of that right of refusal, LADWP and SRP shall have entered into the amendment to this Agreement contemplated by Section 5.11), or duly executed and delivered a written waiver of any and all such rights of first refusal, (b) duly executed and delivered a written consent to the Transaction as required under the NGS Project Agreements and the Eldorado Project Agreements, as applicable, (c) duly executed and delivered a written consent to the Firm Entitlement Agreement and the grant of firm transmission evidenced thereby as required under the NGS Project Agreements, and (d) acknowledged and agreed to the Voting Agreement. The Bureau shall have duly executed and delivered a written waiver of any and all rights it may have under any of the NGS Project Agreements to receive or enforce any notice or waiting period in respect of, or any right to provide prior consent to, any aspect of the Transaction, including the Firm Entitlement Agreement and the grant of firm transmission evidenced thereby.

Section 7.7 No Restraint. There shall be no:

(a) injunction, restraining order or order of any nature issued by any court of competent jurisdiction or Governmental Authority of competent jurisdiction which directs that the Transactions shall not be consummated as herein provided;

(b) suit, action or other proceeding by any Person pending or, to the Knowledge of any Party, threatened in writing, seeking to restrain or prohibit the consummation of the Transactions; or

(c) Law enacted which would render the Transactions illegal.

Section 7.8 Lease Amendment. All of the NGS Co-Tenants shall have duly executed and delivered the Lease Amendment.

Section 7.9 No Material Adverse Effect. No Material Adverse Effect (excluding any Material Adverse Effect with respect to the Mohave Assets) shall have occurred from and after the Effective Date.

Section 7.10 Environmental Site Assessment. SRP shall have received completed Phase 1 ESAs with respect to all of the assets it is buying under this Agreement. SRP may cause a Phase 2 environmental site assessment to be conducted promptly (beginning no later than sixty (60) days after receipt of the Phase 1 ESAs) based on the results of the Phase 1 ESAs by providing written notice to LADWP within thirty (30) days of SRP's receipt of the last of the Phase 1 ESAs. SRP shall be satisfied with the environmental condition of the property as set forth in the Phase 1 or Phase 2 ESAs as determined by SRP in the exercise of its reasonable discretion

Section 7.11 [Reserved.]

Section 7.12 [Reserved.]

Section 7.13 Transfer of Emission Allowances/Emission Reduction Credits. To the extent the Environmental Protection Agency's Clean Power Plan as applicable to NGS (or the Navajo Nation's implementation of that plan) allocates Emission Allowances or Emission Reduction Credits to the Navajo Nation, the NGS Co-Tenants (and the Bureau if it elects to participate) shall have entered into an agreement with the Navajo Nation whereby the Navajo Nation agrees to transfer Emission Allowances or Emission Reduction Credits to the NGS Co-Tenants (and the Bureau if it elects to participate) in an amount (when combined with all other Emission Allowances or Emission Reduction Credit allocated to those Continuing Participants) sufficient to allow two generation units of NGS to operate at full capacity from and after December 23, 2019 until the end of the applicable allocation period of the Clean Power Plan.

Section 7.14 [Reserved.]

Section 7.15 WSPP Confirmation Agreement. LADWP has entered into the WSPP Confirmation Agreement.

Section 7.16 Receipt of Other Documents. SRP shall have received the following in form and substance reasonably satisfactory to SRP and its counsel:

(a) Executed counterparts of each Transaction Agreement to which LADWP or any of its Affiliates is to be a party, as well as any other deeds, assignments and other conveyancing documents necessary or appropriate to transfer the NGS Assets to SRP as reasonably requested by SRP in mutually acceptable form;

(b) Certified copies of the resolutions or ordinances of LADWP, the Board of Water and Power Commissioners and the City Council of the City of Los Angeles, authorizing the execution, delivery and performance of this Agreement, the Transaction Agreements to which LADWP is a party, and the Transactions;

(c) One or more certificates as to the incumbency of each officer of LADWP who has signed this Agreement or any other agreement, certificate, document or instrument delivered pursuant hereto;

(d) Copies of all Governmental Approvals and Non-Governmental Approvals that LADWP has received in connection with the Transactions; and

(e) LADWP's other Closing deliveries described in Section 9.1(a).

ARTICLE 8 LADWP'S CONDITIONS TO CLOSING

The obligations of LADWP to consummate the Transactions shall be subject to the fulfillment at or prior to the Closing of the following conditions, unless LADWP waives the applicable condition in writing:

Section 8.1 Termination of Agreement. This Agreement shall not have been duly terminated in accordance with the terms of Article 10.

Section 8.2 Representations and Warranties. The representations and warranties of SRP set forth in Article 4 of this Agreement shall be true and correct in all material respects (if not qualified as to materiality or a Material Adverse Effect) and shall be true and correct (if so qualified) as of the Effective Date and the Closing Date, provided that to the extent that any such representations and warranties were made as of a specified date, those representations and warranties shall continue on the Effective Date and the Closing Date to be true and correct as of that specified date.

Section 8.3 Performance by SRP. SRP shall have performed and complied in all material respects with all of its covenants, agreements and obligations hereunder through the Closing Date.

Section 8.4 SRP's Closing Certificate. LADWP shall have received from SRP an officer's certificate ("SRP's Closing Certificate") dated as of the Closing Date and executed on SRP's behalf by its general manager, assistant general manager, chief financial officer or treasurer or other duly authorized officer, in each case in his or her capacity as such, stating that the conditions provided in Section 8.2 and Section 8.3 have been satisfied.

Section 8.5 Governmental Approvals and Non-Governmental Approvals . All Governmental Approvals and all Non-Governmental Approvals required for the consummation of the Transactions, including those identified in Schedules 3.4(a), 3.4(b), 4.4(a), 4.4(b), 7.5 and 8.5, shall have been obtained.

Section 8.6 Exercise or Waiver. Each of the Co-Tenants (excluding LADWP, SRP and, solely with respect to clauses (c) and (d) below, the Eldorado Co-Tenants) shall have (a) either exercised their right of first refusal (and, in the event of an exercise of such right of refusal, LADWP and SRP shall have entered into the amendment to this Agreement contemplated by Section 5.11) or duly executed and delivered a written waiver of any and all such rights of first refusal, (b) duly executed and delivered a written consent to the Transaction as required under the NGS Project Agreements and the Eldorado Project Agreements, as applicable, (c) duly executed and delivered a written consent to the Firm Entitlement Agreement and the grant of firm transmission evidenced thereby as required under the NGS Project Agreements, and (d) acknowledged and agreed to the Voting Agreement. The Bureau shall have duly executed and delivered a written waiver of any and all rights it may have under any of the NGS Project Agreements to receive or enforce any notice or waiting period in respect of, or any right to provide prior consent to, any aspect of the Transaction, including the Firm Entitlement Agreement and the grant of firm transmission evidenced thereby.

Section 8.7 No Restraint. There shall be no:

(a) injunction, restraining order or order of any nature issued by any court of competent jurisdiction or Governmental Authority of competent jurisdiction which directs that the Transactions shall not be consummated as herein provided;

(b) suit, action or other proceeding by any Person pending or, to the Knowledge of any Party, threatened in writing, seeking to restrain or prohibit the consummation of the Transactions; or

(c) Law enacted which would render the Transactions illegal.

Section 8.8 Lease Amendment. All of the NGS Co-Tenants shall have duly executed and delivered the Lease Amendment.

Section 8.9 No Material Adverse Effect. No Material Adverse Effect on the Mohave Assets shall have occurred from and after the Effective Date.

Section 8.10 Environmental Site Assessment. LADWP shall have received completed Phase 1 ESAs with respect to all of the assets it is buying or selling under this Agreement. LADWP may cause a Phase 2 environmental site assessment to be conducted promptly (beginning no later than sixty (60) days after receipt of the Phase 1 ESAs) based on the results of the Phase 1 ESAs by providing written notice to SRP within thirty (30) days of LADWP's receipt of the last of the Phase 1 ESAs. LADWP shall be satisfied with the environmental condition of the property as set forth in the Phase 1 or Phase 2 ESAs as determined by LADWP in the exercise of its reasonable discretion.

Section 8.11 [Reserved.].

Section 8.12 [Reserved.]

Section 8.13 [Reserved.]

Section 8.14 Transfer of Emission Allowances and Emission Reduction Credits. To the extent the Environmental Protection Agency's Clean Power Plan as applicable to NGS (or the Navajo Nation's implementation of that plan) allocates Emission Allowances or Emission Reduction Credits to the Navajo Nation, the NGS Co-Tenants (and the Bureau if it elects to participate) shall have entered into an agreement with the Navajo Nation whereby the Navajo Nation agrees to transfer Emission Allowances or Emission Reduction Credits to the NGS Co-Tenants (and the Bureau if it elects to participate) in an amount (when combined with all other Emission Allowances or Emission Reduction Credit allocated to those Continuing Participants) sufficient to allow two generation units of NGS to operate at full capacity from and after December 23, 2019 until the end of the applicable allocation period of the Clean Power Plan.

Section 8.15 [Reserved.]

Section 8.16 WSPP Confirmation Agreement. SRP has entered into the WSPP Confirmation Agreement.

Section 8.17 Receipt of Other Documents. LADWP shall have received the following in form and substance reasonably satisfactory to LADWP and its counsel:

(a) Executed counterparts of each Transaction Agreement to which SRP or any of its Affiliates is to be a party, as well as those deeds, assignments and other conveyancing documents necessary or appropriate to transfer the Mohave Assets to LADWP as reasonably requested by LADWP in mutually acceptable form;

(b) Certified copies of the resolutions of SRP's Board of Directors authorizing the execution, delivery and performance of this Agreement, the Transaction Agreements to which SRP is a party, and the Transactions;

(c) One or more certificates as to the incumbency of each officer of SRP who has signed this Agreement, or any other agreement, certificate, document or instrument delivered pursuant hereto;

(d) Copies of all Governmental Approvals and Non-Governmental Approvals that SRP has received in connection with the Transactions; and

(e) SRP's other Closing deliveries described in Section 9.1(b).

ARTICLE 9 CLOSING

Section 9.1 Closing. The purchase and sale (the "Closing") provided for in this Agreement will take place at the offices of Jennings, Strouss & Salmon, PLC, One E. Washington St., Suite 1900, Phoenix, Arizona 85004-2554, commencing at 10:00 a.m. (local time) on the 3rd Business Day or sooner following the date on which the last of the conditions set forth in Article 7 and Article 8 have been satisfied or waived by the Party entitled to waive the same (other than conditions which by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of those conditions) or another date as SRP and LADWP may mutually agree in writing (the "Closing Date"); provided that such Closing Date shall not occur prior to July 1, 2016. The Closing

shall be effective for all purposes at 11:59 p.m., local time, in Phoenix, Arizona, on the Closing Date. At Closing, subject to the terms and conditions hereof, the following will occur:

(a) Deliveries by LADWP. LADWP shall deliver or cause to be delivered to SRP all documents, instruments and other items which are to be provided by LADWP pursuant to Article 7, in each case duly executed by an authorized officer of LADWP and if necessary, all third parties required to execute those documents, and, if applicable, acknowledged and in due form for recording, including the following, each of which shall be in mutually acceptable form if no form is attached:

(i) A general assignment and assumption agreement for the (A) Mohave Assets, including the Mohave Assigned Contracts and the Mohave Assumed Liabilities, in the form attached as Appendix 9.1(a)(i)(A) (the "Mohave General Assignment and Assumption Agreement") and (B) NGS Assets, including the NGS Assigned Contracts and the NGS Assumed Liabilities, in the form attached as Appendix 9.1(a)(i)(B) (the "NGS General Assignment and Assumption Agreement");

(ii) A bill of sale for the personal property interests included in the NGS Assets, in the form attached as Appendix 9.1(a)(ii);

(iii) A firm entitlement agreement for 350 MW of transmission capacity on the Navajo-Crystal-McCullough transmission line (the "Firm Entitlement Agreement"), in the form attached as Appendix 9.1(a)(iii);

(iv) The documents transferring LADWP's interests in the Water Service Contract Assignment, as defined in the NGS Co-Tenancy Agreement, and all related water rights, water facilities and water certificates, to the extent not included above;

(v) Executed counterpart of the Lease Amendment;

(vi) A voting agreement with respect to voting LADWP's interest on the NGS coordinating committee and all subcommittees, for matters related to the NGS Assets after the Closing in the form attached as Appendix 9.1(a)(vi);

(vii) The WSPP Confirmation Agreement;

(viii) Executed counterparts of any documents noted in Section 9.1(b) to which LADWP is to be a signatory or acknowledgment party;

(ix) The Energy Exchange Agreement in the form attached as Appendix 9.1(a)(ix).

(x) Any other documents LADWP is obligated to deliver pursuant to Article 7; and

(xi) Any other documents reasonably requested in connection with the Transactions (collectively, the "Ancillary Documents") by SRP or its counsel.

(b) Deliveries by SRP. SRP shall deliver or cause to be delivered to LADWP all documents, instruments and other items which are to be provided by SRP pursuant to Article 8, in

each case duly executed by an authorized officer of SRP, and if necessary, all third parties required to execute those documents, and, if applicable, acknowledged and in due form for recording, including the following, each of which shall be in mutually acceptable form if no form is attached:

(i) The NGS General Assignment and Assumption Agreement and the Mohave General Assignment and Assumption Agreement;

(ii) A quit claim deed for the Mohave Land, the Mohave Switchyard Site and the Eldorado Transmission Site, in the form attached as Appendix 9.1(b)(ii) (the “Mohave Deed”);

(iii) A bill of sale for the personal property interests included in the Mohave Assets, in the form attached as Appendix 9.1(b)(iii);

(iv) The documents transferring SRP’s interests in the water certificates, water facilities and water rights related to the Mohave Assets, to the extent not included above;

(v) Reserved;

(vi) Executed counterparts of any documents noted in Section 9.1(a) to which SRP is to be a signatory or acknowledgment party;

(vii) The Energy Exchange Agreement in the form attached as Appendix 9.1(a)(ix);

(viii) Any other documents SRP is obligated to deliver pursuant to Article 8;

(ix) Any other Ancillary Documents reasonably requested by LADWP or its counsel;

(x) An amount in immediately available funds, by way of wire transfer to an account or accounts designated by LADWP, equal to the Estimated Cash Purchase Price, to be paid in accordance with the Estimated Closing Statement; and

(xi) \$2,879,203 in immediately available funds, by way of wire transfer to an account or accounts designated by LADWP for the purpose of holding funds to be applied against LADWP’s obligations under the Settlement Agreement.

Section 9.2 Prorations.

(a) SRP and LADWP agree that the following items relating to Transferred Assets shall be prorated without duplication of any items as of the Closing Date between SRP and LADWP, with (x) LADWP liable for (i) any time period ending on or prior to the Closing Date with respect to the NGS Assets; and (ii) any time period ending following the Closing Date with respect to the Mohave Assets, and (y) SRP liable for (i) any time period ending on or prior to the Closing Date with respect to the Mohave Assets; and (ii) any time period ending following the Closing Date with respect to the NGS Assets (in each of the foregoing cases measured in the same units used to compute the item in question, otherwise measured by calendar days):

(i) real estate Taxes, personal property Taxes, and any other ad valorem taxes or assessments (collectively, "Ad Valorem Taxes") with respect to the NGS Assets or the Mohave Assets, as applicable, for the tax year during which the Closing occurs;

(ii) rent, licensing fees or other fixed regular charges or registration fees payable under leases, Governmental Approvals or similar arrangements; and

(iii) any other periodic or recurring charges imposed on or assessed against LADWP, SRP or any of NGS Assets or the Mohave Assets, as applicable, by any Governmental Authority, other than fines and penalties imposed for violations of Law.

In the event that actual Ad Valorem Taxes, or other amounts covered by this Section 9.2 are not known on the Closing Date, the proration shall be based upon the actual Ad Valorem Taxes or other amounts paid for the most recent year (or other appropriate period) for which actual Ad Valorem Taxes or other amounts paid are available. Prorated Taxes or other amounts shall be recalculated and set forth in the Post-Closing Statement or, if unavailable as of the date on which the Post-Closing Statement becomes final, binding and conclusive hereunder, within sixty (60) days after the date that the actual amounts become available. The proration shall be based on the actual number of days elapsed in the year or other applicable period, including the Closing Date. LADWP and SRP agree to furnish each other documents and other records as may be reasonably requested to confirm all adjustments and prorations calculated pursuant to this Section. LADWP acknowledges that increased rent for NGS pursuant to the Lease Amendment has commenced accruing beginning on August 1, 2013, but that the increase shall not be payable until all NGS Participants other than the United States have approved the increase. LADWP shall pay its percentage share of that increased amount through the Closing Date, once approved by the other NGS Participants.

(b) SRP shall pay to LADWP the original cost of LADWP's share of any coal Supplies as of the Closing Date in excess of LADWP's share of a thirty (30) day supply based on then-current consumption rates.

ARTICLE 10 TERMINATION

Section 10.1 Termination. This Agreement may be terminated only prior to the Closing:

(a) At any time, by mutual written consent of LADWP and SRP;

(b) By either Party, upon written notice to the other Party, if any Governmental Authority having competent jurisdiction has obtained an order, decree, ruling or injunction or taken any other action permanently restraining, enjoining or otherwise prohibiting the Transactions;

(c) By either Party, upon written notice to the other Party, if the Closing has not occurred prior to September 1, 2016; provided, that a Party cannot terminate under this paragraph (c) if the failure of the Closing to occur is the result of the failure on the part of that Party to perform any of its obligations hereunder; or

(d) By either Party, upon written notice to the other Party, if there has been a breach by the other Party of any representation, warranty or covenant contained in this Agreement that would give rise to a failure to satisfy one or more of the conditions to Closing of the terminating

Party and, if the breach is of a character that it is capable of being cured, the breach has not been cured by the breaching Party within thirty (30) days after written notice thereof from the other Party; provided, however, that if during that thirty (30) day period the breaching Party has endeavored in good faith and proceeded diligently to cure the breach, the thirty (30) day period shall be extended for an additional thirty (30) days; and provided further that a Party cannot terminate under this paragraph (d) if that Party is in material breach of any representation, warranty or covenant contained in this Agreement that would give rise to a failure to satisfy one or more of the conditions to Closing of the other Party, subject to the cure rights as noted in this subsection for each Party.

Section 10.2 Effect of Termination. If this Agreement terminates, the Parties shall have no further obligations or liabilities hereunder, except as provided in Sections 5.6, 5.13, 5.16, Article 11 (excluding Sections 11.1 and 11.2) and this Section 10.2; provided that nothing in this Section 10.2 shall relieve any Party from liability for any intentional breach of its obligations under this Agreement by that Party prior to termination of this Agreement.

ARTICLE 11 GENERAL PROVISIONS

Section 11.1 Survival.

(a) The representations and warranties of SRP and LADWP set forth in this Agreement or in any Closing Certificate delivered pursuant hereto shall survive until the one year anniversary of the Closing; and

(b) The covenants and obligations of the Parties set forth in this Agreement shall survive the Closing until fully performed; provided that the covenants and agreements of the Parties which by their terms are to be performed prior to the Closing shall not survive Closing if they are so performed in accordance with their terms.

Section 11.2 Limits on Liability.

(a) Notwithstanding anything to the contrary in this Agreement in no event will the aggregate Liabilities of (i) LADWP solely for breaches of the representations and warranties of LADWP exceed the Cash Purchase Price to the extent actually received by LADWP and (ii) SRP solely for breaches of the representations and warranties of SRP exceed \$[7,420,760]⁴, except for either Party, in the case of fraud or criminal conduct.

(b) EXCEPT WITH RESPECT TO THOSE LIABILITIES ACTUALLY AWARDED ON ACCOUNT OF A THIRD PARTY CLAIM, NO PARTY SHALL BE LIABLE FOR SPECIAL, PUNITIVE, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL OR INDIRECT DAMAGES, LOST PROFITS OR LOST BUSINESS, LOSS OF ENTERPRISE VALUE, DIMINUTION IN VALUE OF ANY BUSINESS, DAMAGE TO REPUTATION OR LOSS TO GOODWILL, WHETHER BASED ON CONTRACT, TORT, STRICT LIABILITY, OTHER LAW OR OTHERWISE AND WHETHER OR NOT ARISING FROM ANY OTHER PARTY'S SOLE, JOINT OR CONCURRENT NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT.

⁴ SRP to refresh number based upon book value on July 1, 2016.

(c) None of Section 11.1 or Section 11.2 shall apply to Liabilities to the extent arising out of fraud.

Section 11.3 Notices. All notices, requests, demands, waivers, consents and other communications hereunder shall be in writing, shall be delivered either in person or by overnight air courier, facsimile, e-mail or mail, and shall be deemed to have been duly given and to have become effective (a) upon receipt, if delivered in person prior to 5:00 p.m., or the next Business Day if after that time, (b) one (1) Business Day after having been delivered to a nationally recognized air courier for overnight delivery, (c) on the day of transmission by facsimile or e-mail (with confirmation of transmission or receipt, as applicable) if sent prior to 5:00 p.m. (receiving party time) on a Business Day, or on the next Business Day if sent thereafter, or (d) four (4) Business Days after having been deposited in the U.S. mail as certified or registered mail, return receipt requested, all fees prepaid, directed to the applicable Parties or their permitted assignees at the following addresses (or at another address as shall be given in writing by a Party):

If to LADWP, addressed to:

Department of Water and Power
The City of Los Angeles
111 N. Hope St., Room 340
Los Angeles, CA 90012
Telephone: (213) 367-4500
Attention: Los Angeles City Attorney

Department of Water and Power
The City of Los Angeles
111 N. Hope St., Room 921
Los Angeles, CA 90012
Telephone: (213) 367-4945
Attention: Michael S. Webster/Director of Fuel and Power Purchase Division

Department of Water and Power
The City of Los Angeles
111 N. Hope St., Room 921
Los Angeles, CA 90012
Telephone: (213) 367-3273
Attention: Hamid Nejad/Assistant Director of Fuel and Power

If to SRP, addressed to:

Kenneth J. Lee, Esq.
Director, Resource Transactions
Salt River Project
Mail Station ISB665
P.O. Box 52025
Phoenix, AZ 85072-2025
Phone: (602) 236-4525
Fax: (602) 236-5370
E-mail: Ken.Lee@srpnet.com

with copies to:

Salt River Project
P.O. Box 52025
Phoenix, Arizona 85072-2025
Mail Station PAB215
Attention: Corporate Secretary
Phone: (602) 236-5005
E-mail: Terry.lonon@srpnet.com

and to:

Jennings, Strouss & Salmon, PLC
One E. Washington St., Suite 1900
Phoenix, Arizona 85004-2554
Attn: Richard Lieberman
Phone: 602-262-5935
Fax: 602-495-2795
E-Mail: rlieberman@jsslaw.com

Section 11.4 Successors and Assigns. The rights of the Parties under this Agreement shall not be assigned or transferred nor shall the duties of either Party be delegated without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed; except that, from and after the Closing, a Party may assign this Agreement to the transferee in connection with any of the following: (a) SRP may assign its rights and obligations hereunder in connection with a sale of all or substantially all of SRP's interests in NGS or of the assets related thereto; provided that no such assignment shall be permitted to the extent the Transferred NGS Transmission is effectively assigned for resale purposes, unrelated to transmitting generation from NGS, (b) LADWP may assign its rights and obligations hereunder in connection with a sale of all or substantially all of LADWP's interests in MOGS or of the assets related thereto. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon, and inure to the benefit of the Parties hereto and their respective successors and permitted assignees. Nothing contained in this Agreement, express or implied, is intended to confer upon any Person (other than the Parties hereto, their permitted successors-in-interest and permitted assignees, any Person benefiting from the indemnities provided herein), any benefits, rights or remedies under or by reason of this Agreement.

Section 11.5 Counterparts. This Agreement and all Transaction Agreements may be executed in two or more original, counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument. Counterparts may be delivered by facsimile, e-mail or similar means and delivery shall be effective upon that transmission as if an original had been delivered.

Section 11.6 Captions and Paragraph Headings. Captions and paragraph headings used herein are for convenience only and do not limit the terms of this Agreement.

Section 11.7 Entirety of Agreement; Amendments. This Agreement (including the Schedules, Appendices and Exhibits), the Transaction Agreements and the Confidentiality Agreement contain the entire understanding between the Parties concerning the Transactions and

supersede all prior understandings and agreements, whether oral or written, between them with respect to the subject matter hereof and thereof. This Agreement may be amended or modified only by an agreement in writing signed by each of the Parties.

Section 11.8 Construction. This Agreement and any documents or instruments delivered pursuant hereto shall be construed without regard to the identity of the Person who drafted the various provisions of the same. Each and every provision of this Agreement and the other documents and instruments shall be construed as though the Parties participated equally in the drafting of the same. Consequently, the Parties acknowledge and agree that any rule of construction that a document is to be construed against the drafting Party shall not be applicable either to this Agreement or such other documents and instruments. Any reference to any Law shall be deemed to include any amendment or successor thereto and to all rules and regulations promulgated thereunder, as amended, unless the context requires otherwise.

Section 11.9 Waiver. The failure of a Party to insist, in any one or more instances, on performance of any of the terms, covenants and conditions of this Agreement shall not be construed as a waiver or relinquishment of any rights granted hereunder or of the future performance of that term, covenant or condition, but the obligations of the Parties with respect thereto shall continue in full force and effect. No waiver of any provision or condition of this Agreement by a Party shall be valid unless in writing signed by that Party. A waiver by one Party of the performance of any covenant, condition, representation or warranty of the other Party shall not invalidate this Agreement, nor shall the waiver be construed as a waiver of any other covenant, condition, representation or warranty. A waiver by any Party of the time for performing any act shall not constitute a waiver of the time for performing any other act or the time for performing an identical act required to be performed at a later time.

Section 11.10 Governing Law; Dispute Resolution Procedures.

(a) This Agreement shall be governed in all respects, including validity, interpretation and effect, by the internal laws of the State of Arizona without giving effect to any choice or conflict of law provision or rule (whether of the State of Arizona or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Arizona. Notwithstanding anything in this Agreement to the contrary, no action, suit or other proceeding may be maintained against LADWP unless notice and presentment of such claim shall have been given in accordance with the procedural laws of the State of California and the City of Los Angeles.

(b) Each Party hereby unconditionally and irrevocably, to the fullest extent permitted by law, (i) consents to jurisdiction in any suit, action or proceeding arising out of or relating to this Agreement, or any of the Transaction Agreements or the Transactions contemplated hereby, and agrees that any suit, action or proceeding arising out of this Agreement or any Transaction Agreement or any judgment obtained as a result thereof shall be brought and prosecuted exclusively in a state or federal court of competent jurisdiction located in Maricopa County, Arizona, (ii) submits to the in personam jurisdiction of those courts and waives and agrees not to assert in any proceeding before the court, by way of motion, as a defense or otherwise, any claim that it is not subject to the in personam jurisdiction of that court, and (iii) waives any objection that it may now or hereafter have to the laying of venue in any suit, action or proceeding arising out of or relating to this Agreement, any Transaction Agreement or the Transactions contemplated hereby brought in those courts and any claim that the suit, action or proceeding brought in those courts has been brought in an inconvenient forum.

(c) The Parties agree to the dispute resolution procedures set forth on Appendix 11.10(c), which shall govern the resolution of all disputes except disputes required to be resolved by the Independent Accountants pursuant to Sections 2.8 or 2.10.

(d) EACH PARTY HEREBY EXPRESSLY WAIVES TO THE EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHTS WHICH IT MAY HAVE TO A JURY TRIAL WITH RESPECT TO ANY SUIT, LEGAL ACTION OR PROCEEDING BROUGHT BY OR AGAINST IT OR ANY OF ITS AFFILIATES RELATING TO THIS AGREEMENT OR THE TRANSACTIONS.

(e) The Parties understand that approval by the United States with respect to the Transactions cannot be given until the United States, through the U.S. Bureau of Reclamation, complies with applicable statutory requirements, including those regulating the environment, historic preservation and other matters.

Section 11.11 Remedies/Specific Performance. The Parties acknowledge that money damages would not be an adequate remedy at Law if any Party fails to perform in any material respect any of its obligations hereunder and accordingly agree that each Party, in addition to any other remedy to which it may be entitled at Law or in equity, at any time, shall be entitled to seek to compel specific performance of the obligations of any other party under this Agreement, without the posting of any bond, in accordance with the terms and conditions of this Agreement in any court of the United States or any State thereof having jurisdiction.

Section 11.12 No Partnership. Nothing in this Agreement is intended or shall be construed to create any partnership, joint venture or similar relationship between SRP and LADWP; and in no event shall either Party take a position in any Tax Return or other writing of any kind that a partnership, joint venture or other similar relationship exists. The Parties do not intend to form or hold themselves out as a de jure or de facto partnership, joint venture or similar relationship, to share profits or losses, or to share any joint control over financial decisions or discretionary actions.

Section 11.13 Severability. Whenever possible, each provision of this Agreement shall be interpreted in a manner as to be valid, binding and enforceable under applicable Law, but if any provision of this Agreement is held to be unenforceable under applicable Law, the provision shall be unenforceable only to the extent expressly so held, without affecting the remainder of the provision or the remaining provisions of this Agreement.

Section 11.14 Further Assurances. In case at any time after the Closing any further actions are necessary or desirable to carry out the purposes of this Agreement, each of the Parties shall take such further actions (including the execution and delivery of such further instruments and documents) as the other Party may reasonably request, all at the sole cost and expense of the requesting Party.

Section 11.15 Time is of the Essence. Time is of the essence of each term of this Agreement. Without limiting the generality of the foregoing, all times provided for in this Agreement for the performance of any act will be strictly construed.

Section 11.16 Represented by Legal Counsel. Each of the Parties was represented by its respective legal counsel during the negotiation and execution of this Agreement.

Section 11.17 Attorney Fees. Both Parties hereto agree that in any action to enforce the terms of this Agreement, each Party shall be responsible for its attorneys' fees and costs.

Section 11.18 Power Revenue Fund. No amounts payable by LADWP under this Agreement shall constitute or evidence an indebtedness of the City of Los Angeles or a lien or charge on any property or the general revenues of the City of Los Angeles, but shall constitute and evidence an obligation of LADWP payable only from the Power Revenue Fund. No other fund or account held by or on behalf of LADWP (or any other division thereof) may be used to satisfy any such obligations.

Section 11.19 No Third Party Beneficiaries. Except as may be specifically set forth in this Agreement, nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any Persons other than the Parties and their respective permitted successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third Persons to any Party, nor give any third Persons any right of subrogation or action against any Party.

[SIGNATURES ARE ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date first above written.

LADWP:

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES,
a department organized and existing under the
Charter of the City of Los Angeles, California

APPROVED AS TO FORM AND LEGALITY
MICHAEL N. FEUER, CITY ATTORNEY

MAY 13 2015

BY 
VAUGHN MINASSIAN
DEPUTY CITY ATTORNEY

By: _____
Name: Marcie L. Edwards
Title: General Manager

By: _____
Barbara E. Moschos, Board Secretary
SRP:

SALT RIVER PROJECT AGRICULTURAL
IMPROVEMENT AND POWER DISTRICT,
a political subdivision of the State of Arizona

By: _____
Name: _____
Title: _____