

Execution Copy

ORMESA GEOTHERMAL COMPLEX ENERGY PROJECT

POWER PURCHASE AGREEMENT

BETWEEN

ORMESA LLC

AND

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

DATED AS OF March 1, 2016

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SCHEDULE

SCHEDULE A ORGANIZATIONAL AND OWNERSHIP STRUCTURE OF SELLER
AND UPSTREAM EQUITY OWNERS

POWER PURCHASE AGREEMENT

PARTIES

THIS POWER PURCHASE AGREEMENT (this "*Agreement*") is dated as of the 1st day of March, 2016, and entered into by and between the SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY a joint powers agency and a public entity organized under the laws of the State of California and created under the provisions of the Act and the Joint Powers Agreement ("*Buyer*"), and ORMESA LLC, a limited liability company organized and existing under the laws of the State of Delaware ("*Seller*"). Each of Buyer and Seller is referred to individually in this Agreement as a "*Party*" and together they are referred to as the "*Parties*."

RECITALS

WHEREAS, Buyer's members have adopted or are adopting policies to comply with the California Renewable Energy Resources Act that are designed to increase the amount of energy that they provide to their retail customers from eligible renewable energy resources; and

WHEREAS, in January 2014, Buyer issued a request for proposals to acquire renewable energy resources; and

WHEREAS, Seller's parent company on behalf of Seller responded to the request for proposals and following negotiation has agreed to sell to Buyer, and Buyer has agreed to purchase from Seller, certain renewable energy and associated environmental attributes; and

WHEREAS, the Parties desire to set forth the terms and conditions pursuant to which such sales and purchases shall be made.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein, and the mutual covenants and agreements herein set forth, the Parties agree as follows:

ARTICLE I DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions. The following terms in this Agreement and the appendices hereto shall have the following meanings when used with initial capitalized letters:

"**Act**" means all of the provisions contained in the California Joint Exercise of Powers Act found in Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, beginning at California Government Code Section 6500 *et seq.*

"**Affiliate**" means, as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with such Person. As used in this Agreement, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management, policies, or activities of a Person, whether through ownership of voting securities, by contract, or otherwise.

“Agreement” has the meaning set forth in the preamble of this Agreement.

“Agreement Term” has the meaning set forth in Section 2.2.

“Alternate Point of Delivery” means upon Buyer’s request (i) primarily, the Blythe 161 kV substation (IID side of such substation) or if such Alternate Point of Delivery is not available, (ii) the Mirage 230 kV substation (IID side of such substation), or (iii) the Imperial Valley 230 kV substation (IID side of such substation), but, in the case of each Alternate Point of Delivery, only during the period from the start of the Interim Delivery Period until December 31, 2021, and only to the extent that IID has approved Seller’s request to use Seller’s existing rights to IID’s Transmission Services and Transmission System to deliver Facility Energy to such location as described in Section 3.12.

“Ancillary Documents” means the Buyer Ancillary Documents and the Seller Ancillary Documents.

“Applicable Buyer’s Members” has the meaning set forth in the definition of “Special Environmental Liability”.

“ASME” means American Society of Mechanical Engineers.

“Assumed Daily Deliveries” has the meaning set forth in Section 13.3(c).

“ASTM” means American Society for Testing and Materials.

“Authorized Auditors” means representatives of Buyer who are authorized to conduct audits on behalf of Buyer.

“Authorized Representative” means, with respect to each Party, the Person designated as such Party’s authorized representative pursuant to Section 14.1.

“AWS” means American Welding Society.

“Bankruptcy” means any case, action, or proceeding under any bankruptcy, reorganization, debt arrangement, insolvency, or receivership law or any dissolution or liquidation proceeding commenced by or against a Person and, if such case, action, or proceeding is not commenced by such Person, such case or proceeding shall be consented to or acquiesced in by such Person or shall result in an order for relief or shall remain undismissed for sixty (60) days.

“BAOA” has the meaning set forth in Section 7.2(g).

“Brown Act” has the meaning set forth in Section 14.21(d).

“Business Day” means any day that is not a Saturday, a Sunday, or a day on which commercial banks are authorized or required to be closed in Los Angeles, California or New York, New York.

“Buyer” has the meaning set forth in the preamble of this Agreement.

“Buyer Ancillary Documents” all instruments, agreements, certificates, and documents executed by Buyer pursuant to this Agreement.

“Buyer’s Member” means any member of Buyer that has entered into the Joint Powers Agreement.

“CAISO” means the California Independent System Operator Corporation.

“California Public Utilities Code” means the Public Utilities Code of the State of California, as may be amended from time to time.

“CAMD” means the Clean Air Markets Division of the United States Environmental Protection Agency and any other state, regional, or federal or intergovernmental entity or Person that is given authorization or jurisdiction or both over a program involving the registration, validation, certification, or transferability of Environmental Attributes.

“Capacity Rights” means the rights, whether in existence as of the Effective Date or arising hereafter during the Agreement Term, to capacity, resource adequacy, or reserves associated with the electric generating capability of the Facility, including the right to resell such rights.

“CEC” means California’s State Energy Resources Conservation and Development Commission, also known as the California Energy Commission, and any successor agency thereto.

“CEC Certified” means that the CEC has certified that the Facility is an eligible renewable energy resource in accordance with California Public Utilities Code Section 399.12(e) and the guidelines adopted by the CEC, as amended from time to time, and any successor statute.

“CEC Performance Standard” means, at any time, the applicable greenhouse gas emissions performance standard in effect at such time for baseload electric generation facilities that are owned or operated (or both) by local publicly owned electric utilities, or for which a local publicly owned electric utility has entered into a contractual agreement for the purchase of power from such facilities, as established by the CEC or other Governmental Authority having jurisdiction over Buyer.

“CEQA” means the California Environmental Quality Act, Public Resources Code §§ 21000, et seq., as amended from time to time, and any successor statute.

“CEQA EIR” means a final environmental impact report (or equivalent document) for the Facility certified by the lead agency conducting the review of the Facility.

“Change in Control” means the occurrence, whether in a single transaction or in a series of related transactions at any time during the Agreement Term of any one or more of the following: (i) a merger or consolidation of Seller, or any Upstream Equity Owner, with or into any other Person or any other reorganization in which the members of Seller or such Upstream

Equity Owner (A) immediately prior to such consolidation, merger, or reorganization, own less than fifty percent (50%) of the equity ownership of the surviving entity or (B) cease to have the power to control the management and policies of the surviving entity immediately after such consolidation, merger, or reorganization, (ii) any transaction or series of related transactions in which in excess of fifty percent (50%) of the equity ownership of Seller or of any Upstream Equity Owner, or the power to control the management and policies of Seller or any Upstream Equity Owner, is transferred to another Person, (iii) a sale, lease, or other disposition of all or substantially all of the assets of any Upstream Equity Owner, (iv) the dissolution or liquidation of any Upstream Equity Owner, or (v) any transaction or series of related transactions that has the substantial effect of any one or more of the foregoing, provided, however, that a Change in Control shall not include any transaction or series of transactions in which the membership interests in or assets of Seller or any Upstream Equity Owner are issued or transferred to another Person solely for the purpose of a Tax Equity Financing; and provided, further, that a Change in Control shall not include any transaction or series of transactions in which the membership interests in or assets of Seller or any Upstream Equity Owner are issued or transferred to any other Person that is directly or indirectly wholly-owned by Ormat Nevada Inc. Seller shall provide written notice to Buyer prior to the occurrence of any Change in Control in accordance with Section 14.7.

“**Change in Law**” means a change in any federal, state, local, or other law (including any environmental laws), resolution, standard, code, rule, ordinance, directive, regulation, order, judgment, decree, ruling, determination, permit, certificate, authorization, or approval of a Governmental Authority (other than Buyer) which is applicable to either Party or the Facility or any of the products sold therefrom.

“**Collateral Agent**” has the meaning set forth in the Indenture.

“**Confidential Information**” has the meaning set forth in Section 14.21(a).

“**Contract Year**” means (i) the twelve (12) month period beginning on the Delivery Commencement Date and ending on the first anniversary of the Delivery Commencement Date, and (ii) each succeeding period of twelve (12) consecutive months following the period described in the preceding clause (i).

“**Costs**” has the meaning set forth in Section 13.3(f).

“**CPRA**” has the meaning set forth in Section 14.21(d).

“**CPUC**” means the California Public Utilities Commission and any successor thereto.

“**CPUC Performance Standard**” means, at any time, the greenhouse gas emission performance standard in effect at such time for baseload electric generation facilities owned or operated (or both) by load-serving entities and not local publicly-owned electric utilities, as established by the CPUC or other Governmental Authority under the EPS Law.

“**CRO**” has the meaning set forth in Section 14.25(g).

“**DBE**” has the meaning set forth in Section 14.25(c).

“Default” has the meaning set forth in Section 13.1.

“Defaulting Party” has the meaning set forth in Section 13.1.

“Delivered Energy” means the MWh of Facility Energy delivered by Seller for receipt by Buyer at the respective Points of Delivery or Alternate Point of Delivery (if applicable).

“Delivery Commencement” means all of the following have occurred:

(a) The Facility (including the Facility Energy and associated Environmental Attributes) is RPS Compliant and EPS Compliant and possesses all the other material characteristics, and satisfies all of the material requirements, set forth for the Facility in this Agreement and for delivery of Facility Energy to the respective Points of Delivery or the Alternate Point of Delivery (if applicable);

(b) The Facility is operating in accordance with all Requirements of Law and has demonstrated (i) the sustained operation of the generating facility for at least 5 consecutive hours at a delivery rate of at least 31.5 MW (net of providing the full requirements for Parasitic Load) as measured by the Electric Metering Devices at the Point of Interconnection, as adjusted to reflect nominal resource temperature and flow rates and other environmental conditions, and (ii) the delivery of Energy equal to at least 3,780 MWh during a period of 120 consecutive hours (net of providing the full requirements for Parasitic Load) as measured by the Electric Metering Devices at the Point of Interconnection, as adjusted to reflect nominal resource temperature and flow rates and other environmental conditions;

(c) Seller has obtained all Permits required for the operation and maintenance of the Facility in accordance with this Agreement (including the Permits identified in Appendix B), and all such Permits are final and in full force and effect;

(d) Seller has obtained the Insurance;

(e) Buyer shall have received the Delivery Term Security;

(f) Seller shall have entered into transmission and interconnection agreements with Transmission Providers pursuant to which it has obtained Facility Transmission Rights and Interests as necessary for the delivery of the Facility Energy to the respective Points of Delivery using (i) IID’s Transmission Services and Transmission System for delivery of the Facility Energy Delivery Share to the Point of Delivery at the Highline 92 kV Substation, and (ii) IID’s Transmission Services and Transmission System and WAPA’s Transmission Services and Transmission System for delivery of the Facility Energy Delivery Share to the Point of Delivery at the Mead 230 kV Substation, or (iii) in the event that Seller shall be unable to obtain such use of WAPA’s Transmission Services and Transmission System by the Delivery Commencement Milestone Date, as it may be extended as provided in Section 3.6, using IID’s Transmission Services and Transmission System and the Transmission Services and Transmission System provided by CAISO as Transmission Provider for delivery of the Facility Energy Delivery Share to the Point of Delivery at the Mead 230 kV Substation; and Seller utilizing such Facility Transmission Rights and Interests provided for hereinabove shall have delivered at least 756 MWh of the Facility Energy, in the aggregate, to the respective Points of Delivery or Alternate

Point of Delivery (if applicable) in amounts equal to the Facility Energy Delivery Share applicable to such Point of Delivery (or Alternate Point of Delivery, if applicable) during a period of 24 consecutive hours;

(g) Seller has obtained a recertification from the CEC that the Facility remains CEC Certified, if required pursuant to CEC regulations applicable to the Facility;

(h) Seller has a water supply agreement under which it is entitled to purchase and receive water in amounts as is necessary for the operation and maintenance of the Facility for the full term of this Agreement;

(i) Seller has caused GeothermEx, a division of Schlumberger Inc., or another qualified geothermal energy consultant satisfactory to Buyer in its reasonable discretion, to furnish to Buyer its opinion stating, with a confidence level of at least ninety (90%) percent, that the geothermal production wells of the Facility are capable of supporting operation of the Facility on a sustained basis for the delivery of Facility Energy to the Point of Interconnection at the rate of at least 33.25 MW declining yearly by not more than one half percent (0.5%) for the duration of the Delivery Term.

(j) The Power Purchase and Sales Agreement between Seller and Southern California Edison Company, dated July 18, 1984, as amended, has terminated or expired.

“Delivery Commencement Date” means the date on which Delivery Commencement occurs, as determined pursuant to Section 3.5.

“Delivery Commencement Milestone Date” means January 1, 2018.

“Delivery Term” has the meaning set forth in Section 2.2.

“Delivery Term Security” has the meaning set forth in Section 5.9(b).

“Dispute” has the meaning set forth in Section 14.3.

“Dispute Notice” has the meaning set forth in Section 14.3.

“Downgrade Event” shall mean any event that results in a Person failing to meet the credit requirements of a Qualified Issuer or a Qualified Guarantor, as applicable, or the commencement of involuntary or voluntary bankruptcy, insolvency, reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar proceeding (whether under any present or future statute, law, or regulation) with respect to such Person.

“DVBE” has the meaning set forth in Section 14.25(c).

“Early Termination Date” has the meaning set forth in Section 13.3(a).

“EBO” has the meaning set forth in Section 14.25(f).

“EEI” means Edison Electric Institute.

“Effective Date” has the meaning set forth in Section 2.1.

“Electric Metering Devices” means all meters, metering equipment, and data processing equipment used to measure, record, or transmit data relating to Facility Energy. Electric Metering Devices include the metering current transformers and the metering voltage transformers.

“Energy” means electrical energy.

“Environmental Attributes” means RECs, and any and all other current or future credits, benefits, emissions reductions, offsets or allowances, howsoever entitled, named, registered, created, measured, allocated or validated (A) that are at any time recognized or deemed of value (or both) by Buyer, applicable law, or any voluntary or mandatory program of any Governmental Authority or other Person and (B) that are attributable to (i) generation by the Facility during the Delivery Term or Replacement Energy required to be delivered by Seller to Buyer during the Delivery Term and (ii) the emissions or other environmental characteristics of such generation or such Replacement Energy or its displacement of conventional or other types of Energy generation. Environmental Attributes include any of the aforementioned arising out of legislation or regulation concerned with oxides of nitrogen, sulfur, carbon, or any other greenhouse gas or chemical compound, particulate matter, soot, or mercury, or implementing the United Nations Framework Convention on Climate Change (the “UNFCCC”), the Kyoto Protocol to the UNFCCC, California’s greenhouse gas legislation (including California Assembly Bill 32 (Global Warming Solutions Act of 2006)) or any similar international, federal, state or local program or crediting “early action” with a view thereto, or laws or regulations involving or administered by the CAMD, and all Environmental Attribute Reporting Rights, including all evidences (if any) thereof such as renewable energy certificates of any kind. Environmental Attributes for purposes of this definition are separate from the Facility Energy. Environmental Attributes exclude (a) investment tax credits, any local, state or federal production tax credits, depreciation deductions or other tax credits providing a tax benefit to Seller or any other Person based on ownership or a security interest in the Facility or Energy production from any portion of the Facility, including any investment or production tax credit expected to be available to Seller with respect to the Facility, (b) depreciation deductions and benefits, and other tax benefits arising from ownership or operation of the Facility unrelated to its status as a generator of renewable or environmentally clean energy, (c) cash grants or other financial incentives from any local, state or federal government available to Seller with respect to the Facility, and (d) volatile organic compound emissions reduction credits or certificates held by Seller or associated with the Facility prior to the date of execution of this Agreement.

“Environmental Attribute Reporting Rights” means all rights to report ownership of the Environmental Attributes to any Person under Section 1605(b) of the Energy Policy Act of 1992, as amended from time to time or any successor statute, or any other current or future international, federal, state, or local law, regulation, or bill, or otherwise.

“Environmental Documents” has the meaning set forth in Section 3.1.

“EPA” means the Environmental Protection Agency and any successor agency.

“**EPS Compliant**,” when used with respect to the Facility or any other facility at any time, means that the facility satisfies both the CPUC Performance Standard and the CEC Performance Standard in effect at the time; provided, if it is impossible for the facility to satisfy both the CPUC Performance Standard and the CEC Performance Standard in effect at any time, the facility shall be deemed EPS Compliant if it satisfies the CEC Performance Standard in effect at the time and those portions of the CPUC Performance Standard in effect at the time that it is possible for the facility to satisfy while at the same time satisfying the CEC Performance Standard in effect at the time.

“**EPS Law**” means Sections 8340 and 8341 of the California Public Utilities Code as amended from time to time or any successor statute.

“**Excess Energy**” means the portion of the Delivered Energy for the Interim Delivery Period or any Contract Year that is (i) Facility Energy and (ii) in excess of the Guaranteed Generation for the Interim Delivery Period or such Contract Year, as applicable.

“**Facility**” means the geothermal powered electric generating plants complex, including the well fields, the Leases, rights of way, easements and all related property, equipment, facilities, improvements and rights and interests, and shall include the Facility Transmission Rights and Interests, as described in Appendix B.

“**Facility Credit Agreement**” has the meaning set forth in Section 14.7(g).

“**Facility Energy**” means (i) Energy generated by the Facility, less Parasitic Load, and (ii) the Energy generated by the Facility that constitutes such Facility Energy as provided in Section 8.6(b).

“**Facility Energy Delivery Share**” means (i) with respect to the Point of Delivery at the Highline 92 kV Substation, the percentage share of Facility Energy as delivered to and measured at the Highline 92 kV Substation (which is also the Point of Interconnection), as set forth in Appendix L hereto, and (ii) with respect to the Point of Delivery at the 230 kV Mead Substation or the Alternate Point of Delivery, the percentage share of Facility Energy as delivered to and measured at the Point of Interconnection and then delivered to the Point of Delivery at the 230 kV Mead Substation or Alternate Point of Delivery, as applicable, less any Transmission Losses that are not settled financially by Seller in accordance with the respective tariffs of the Transmission Providers, all as set forth in Appendix L.

“**Facility Lender**” means any lender providing senior or subordinated construction, interim or long-term debt or equity financing or refinancing for or in connection with the development, construction, purchase, installation or operation of the Facility, including any equity and tax investor providing financing or refinancing for the Facility or purchasing equity ownership interests of Seller or its Affiliates, and any trustee or agent acting on their behalf, and any Person providing interest rate protection agreements to hedge any of the foregoing debt obligations. Facility Lender includes any lender providing Performance Security under this Agreement.

“**Facility Transmission Rights and Interests**” means the rights and interests of Seller to use the capacity of and Schedule Facility Energy over the Transmission System, including

associated interconnection facilities, providing Transmission Services to each of the respective Points of Delivery and including such Facility Transmission Rights and Interests as provided in Appendix B.

“FERC” means the Federal Energy Regulatory Commission.

“Financing Documents” has the meaning provided in the Indenture.

“Firm Transmission” means Transmission Services to a Point of Delivery or the Alternate Point of Delivery (if applicable) that cannot be curtailed within an operating hour for economic reasons or for higher priority transmission; provided that if Seller or Buyer, as applicable, uses commercially reasonable efforts to obtain Transmission Services meeting the foregoing criterion but is unable to obtain such Transmission Services notwithstanding such efforts, Firm Transmission shall be the most reliable Transmission Services available to Seller or Buyer, as applicable, for the transmission of Energy from the Facility to or from such Point of Delivery or Alternate Point of Delivery at the time.

“Force Majeure” has the meaning set forth in Section 14.6(b).

“Force Majeure Cure Period” means a specified number of months following the end of a Force Majeure Trigger Period, calculated as follows:

$$\text{Force Majeure Cure Period (in months)} = [1 - (A/B)] \times C$$

Where:

A = the capacity net of parasitic load to which the Facility is reduced as a result of the Force Majeure event(s) associated with the Force Majeure Trigger Period, adjusted to reflect the difference between the actual ambient temperatures and the annual average temperature;

B = 17.5 MW; and

C = twelve (12) months.

“Force Majeure Notice” has the meaning set forth in Section 14.6(a).

“Force Majeure Trigger Period” has the meaning set forth in Section 14.6(d).

“Forced Outage” means the removal of service availability of the Facility, or any portion of the Facility, for emergency reasons or conditions in which the Facility, or any portion thereof, is unavailable due to unanticipated failure, including as a result of Force Majeure.

“GAAP” means generally accepted accounting principles set forth in opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of

the accounting profession, in each case as the same are applicable to the circumstances as of the date of determination.

“Gains” has the meaning set forth in Section 13.3(f).

“Governmental Authority” means any federal, state, regional, city, or local government, any intergovernmental association or political subdivision thereof, or other governmental, regulatory, or administrative agency, court, commission, administration, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority, or any Person acting as a delegate or agent of any Governmental Authority. The term “Governmental Authority” shall not include Buyer or any Buyer’s Member.

“Guaranteed Generation” means, for the Interim Delivery Period and each Contract Year and with respect to each Point of Delivery or Alternate Point of Delivery, if applicable, the value in MWh set forth with respect to such Point of Delivery or Alternate Point of Delivery, for such Interim Delivery Period and Contract Year, as applicable, under “Guaranteed Generation” in the table attached hereto as Appendix J.

“Highline 92 kV Substation” means the point of interconnection between the Facility and the IID Transmission System, as defined in the Seller’s interconnection agreement with IID.

“IEEE” means the Institute of Electrical and Electronics Engineers.

“IID” means the Imperial Irrigation District, an irrigation district organized and operated under the Water Code of the State of California.

“Indenture” means that certain indenture, dated as of February 13, 2004, by and between Ormat Funding Corp., as issuer, Brady Power Partners, Steamboat Development Corp., Steamboat Geothermal LLC, OrMammoth Inc., ORNI 1 LLC, ORNI 2 LLC, ORNI 7 LLC, and Ormesa LLC, as guarantors, and Union Bank N.A. (formerly known as Union Bank of California, N.A.), as trustee (as amended, supplemented and/or modified and in effect from time to time).

“Independent Manager” means a manager who is not at the time of initial appointment, or at any time while serving as Independent Manager, and has not been at any time during the preceding five (5) years: (a) a partner, member, stockholder, equity holder, director, manager (except as an Independent Manager of Seller), officer, employee, attorney or counsel of Seller, any member of Seller, or any Affiliate of Seller; (b) a customer, supplier or other Person who derives any of its purchases or revenues from its activities with Seller, any member of Seller, or any Affiliate of Seller (other than for serving as Independent Manager of Seller); (c) a Person that controls (whether directly, indirectly or otherwise), or is under common control with, any such stockholder, equity holder, partner, manager, customer, supplier or other Person who derives any of its purchases or revenues from its activities with Seller, any member of Seller, or any Affiliates of Seller (other than serving as Independent Manager of Seller), or (d) a member of the immediate family of any Person excluded from being an Independent Manager under clause (a) or (b) of this definition.

“Insurance” means the policies of insurance as set forth in Appendix F.

“Interest Rate” has the meaning set forth in Section 11.3.

“Interim Delivery Period” means the period prior to Delivery Commencement determined as set forth in Section 3.9.

“Investment-Grade Credit Rating” means a credit rating on a Person’s senior long term debt, unsecured and unenhanced, that is at least A- by Standard & Poor’s Corporation or A3 by Moody’s Investment Services, Inc.

“ISA” means Instrument Society of America.

“Joint Powers Agreement” means the “Southern California Public Power Authority Joint Powers Agreement” entered into pursuant to the provisions of the Act among Buyer and Buyer’s Members, dated as of November 1, 1980, as amended or modified from time to time.

“LAAC” has the meaning set forth in Section 14.25(b)(i).

“LADWP” means the City of Los Angeles, acting by and through the Department of Water and Power.

“Leases” means the geothermal resource leases and the other leases, easements, rights-of-way, or other contractual rights to use real property that are listed in Section 7 of Appendix B.

“Lien” means any mortgage, deed of trust, lien, security interest, retention of title, or lease for security purposes, pledge, charge, encumbrance, equity, attachment, claim, easement, right of way, covenant, condition, or restriction, leasehold interest, purchase right, or other right of any kind, including an option, of any other Person in or with respect to any real or personal property.

“Losses” has the meaning set forth in Section 13.3(f).

“Major Maintenance Blockout” has the meaning set forth in Section 4.4.

“Maximum Generation” means (i) for the Interim Delivery Period and each Contract Year and with respect to each Point of Delivery or Alternate Point of Delivery, if applicable, the value in MWh set forth with respect to such Point of Delivery or Alternate Point of Delivery for the Interim Delivery Period and each Contract Year, as applicable, under “Maximum Generation” in the table attached hereto as Appendix J, and (ii) for each hour, forty-three (43) MW.

“MBE” has the meaning set forth in Section 14.25(c).

“Milestone” has the meaning set forth in Section 3.6.

“Milestone Date” means, with respect to a Milestone, the date for achieving such Milestone determined pursuant to Section 3.6, including, if and to the extent that the date specified for such Milestone in the Milestone schedule shall be extended as provided in Section 3.6, such extended date.

“MW” means megawatt.

“MWh” means megawatt-hours.

“NEPA” means the National Environmental Policy Act, 42 USC §§4321 to 4370c, as amended from time to time.

“NERC” means the North American Electric Reliability Corporation.

“Non-Consolidation Opinion” means a reasoned opinion of Seller’s legal counsel, in form that is reasonably acceptable to Buyer, addressed to Buyer as to the non-consolidation of Seller in a bankruptcy proceeding of any partner or member of Seller.

“Non-Defaulting Party” has the meaning set forth in Section 13.3(a).

“Notifying Party” has the meaning set forth in Section 14.3(a).

“OBE” has the meaning set forth in Section 14.25(c).

“OSHA” means Occupational Safety & Health Administration.

“Pacific Prevailing Time” means the local time in Los Angeles, California.

“Parasitic Load” means the Energy produced by the Facility (or under the circumstances set forth in Section 8.6(b) Energy from another source) that is used to power the lights, motors, pumps, auxiliary facilities of the well field, control systems, cooling systems, ancillary equipment, and other electrical loads that are necessary for the operation of the power systems and related facilities for the production of Facility Energy.

“Party” or “Parties” has the meaning set forth in the preamble of this Agreement.

“Performance Security” means the Project Commencement Security or the Delivery Term Security, as applicable, that is required to be provided by Seller to Buyer to secure Seller’s performance under this Agreement.

“Permits” means all applications, permits, licenses, franchises, certificates, concessions, consents, authorizations, approvals, registrations, orders, filings, entitlements, and similar requirements of whatever kind and however described that are required to be obtained from a Governmental Authority with respect to the equipping, financing, ownership, possession, shakedown, operation, or maintenance of the Facility, the production and delivery of Facility Energy, Capacity Rights, and Environmental Attributes, or any other transactions or matter contemplated by this Agreement (including those pertaining to electrical, building, zoning, environmental, and occupational safety and health requirements), including the Permits described in Appendix B.

“Permitted Encumbrances” means (i) any Lien approved by Buyer in a writing separate from this Agreement that expressly identifies the Lien as a Permitted Encumbrance, (ii) Liens for Taxes not yet due or for taxes being contested in good faith by appropriate proceedings, so long

as such proceedings do not involve a material risk of the sale, forfeiture, loss or restriction on the use of the Facility or any part thereof, provided that such proceedings are reasonably expected to end by the expiration of the Agreement Term, (iii) subject to compliance under Section 14.7, any Lien arising under a financing arrangement associated with the Facility or constituting a Permitted Lien under, and as defined in, the Indenture, (iv) suppliers', vendors', mechanics', workman's, repairman's, employees', or other like Liens arising in the ordinary course of business for work or service performed or materials furnished in connection with the Facility for amounts the payment of which is either not yet delinquent or is being contested in good faith by appropriate proceedings so long as such proceedings do not involve a risk of the sale, forfeiture, loss or restriction on use of the Facility or any part thereof, (v) easements, rights of way, use rights, exceptions, encroachments, reservations, restrictions, conditions or limitations, provided that in each case the same do not interfere with or impair the operation or use of the Facility as contemplated by the Agreement, or have a material adverse effect on the useful life or utility of the Facility, or shall impair or materially adversely affect the rights or interests of Buyer under this Agreement.

"Person" means any individual, corporation, partnership, joint venture, limited liability company, association, joint stock company, trust, unincorporated organization, entity, government, or other political subdivision.

"Point of Interconnection" means the Highline 92 kV Substation.

"Points of Delivery" means (i) the Highline 92 kV Substation and (ii) the 230 kV Mead Substation, which is an intertie between the LADWP balancing authority area and the WAPA balancing authority area and is currently identified in the Open Access Same-Time Information System (OASIS) used for reserving transmission from WAPA to LADWP using the scheduling point "MEAD230" as the custody transfer point for Energy to be delivered directly in the LADWP balancing authority area, or such other point or points of delivery of Facility Energy or Replacement Energy designated by Seller and approved by Buyer in writing; provided, however, that with respect to IID's share of Replacement Energy that would otherwise be required to be delivered to the Highline 92 kV Substation, the Point of Delivery for such Replacement Energy shall be the Highline 92 kV Substation or such other point of delivery within the IID balancing authority area that shall be mutually acceptable to Seller and Buyer.

"Present Value Rate" means, at any date, the sum of 0.50% plus the yield reported on page "USD" of the Bloomberg Financial Markets Services Screen (or, if not available, any other nationally recognized trading screen reporting on-line intraday trading in United States government securities) at 11:00 a.m. (New York City, New York time) for the United States government securities having a maturity that most nearly matches the Remaining Term at that date.

"Principals" means any board chair, president, chief executive officer, chief operating officer and any other individual who serves in the functional equivalent of one or more of those positions, as well as any individual who holds an ownership interest in Seller or any Upstream Equity Owner of at least twenty percent (20%), and any employee of Seller who is authorized by Seller to represent Seller before the City of Los Angeles.

“Project Commencement Security” has the meaning set forth in Section 5.9(a).

“Prudent Utility Practices” means those practices, methods, and acts, that are commonly used by a significant portion of the geothermal powered electric generation industry in prudent engineering and operations to design and operate electric equipment (including geothermal powered facilities) lawfully and with safety, dependability, reliability, efficiency, and economy, including any applicable practices, methods, acts, guidelines, standards and criteria of FERC, NERC, WECC, each as may be amended from time to time, and all applicable Requirements of Law.

“Qualified Guarantor” means a guarantor, reasonably acceptable to Buyer, that has a current long-term credit rating (corporate or long term senior unsecured debt) of at least A- by Standard & Poor’s and A3 by Moody’s Investors Service, Inc.

“Qualified Issuer” means a Person, reasonably acceptable to Buyer, that has a current long-term credit rating (corporate or long-term senior unsecured debt) of (1) A2 or higher by Moody’s Investors Service, Inc.; and (2) A or higher by Standard & Poor’s.

“Quality Assurance Program” has the meaning set forth in Section 5.7.

“REC” or **“Renewable Energy Credit”** means a certificate of proof associated with the generation of electricity from an eligible renewable energy resource, which certificate is issued through the accounting system established by the CEC pursuant to California Public Utilities Code Section 399.25, evidencing that one (1) MWh of energy was generated and delivered from such eligible renewable energy resource. Such certificate is a tradable environmental commodity (also known as a “green tag”) for which the owner of the REC can prove that it has purchased renewable energy.

“Recipient Party” has the meaning set forth in Section 14.3(a).

“Redirect” has the meaning set forth in Section 3.12.

“Remaining Term” means, at any date, the remaining portion of the Agreement Term at that date without regard to any early termination of this Agreement.

“Replacement Energy” has the meaning set forth in Section 9.2.

“Replacement Price” means the price at which Buyer, acting in a commercially reasonable manner, purchases substitute Energy and Environmental Attributes equivalent to those not delivered by Seller or, absent a purchase, the market price for the quantity of Energy and associated Environmental Attributes not delivered at the applicable Point of Delivery or, if applicable, Alternate Point of Delivery (adjusted for transmission differences, if any).

“Requirements” means, collectively, Prudent Utility Practices, all applicable Requirements of Law, Seller’s Quality Assurance Program, and all other requirements of this Agreement.

“Requirement of Law” means laws, statutes, regulations, rules, codes or ordinances enacted, adopted, issued or promulgated by any federal, state, local or other Governmental Authority (including those pertaining to electrical, building, zoning, environmental and occupational safety and health requirements).

“RPS Compliant” means, when used with respect to the Facility or any other facility at any time, that all Energy generated by the Facility and delivered to the respective Points of Delivery or Alternate Point of Delivery (if applicable), or by such other facility, together with all of the associated Environmental Attributes, delivered to the Point of Delivery or Alternate Point of Delivery qualify as “portfolio content category 1” eligible renewable resource under the RPS Law and meet the requirements of California Public Utilities Code Section 399.16(b)(1), as amended from time to time and any successor statute.

“RPS Law” means the California Renewable Energy Resources Act, including the California Renewables Portfolio Standard Program, Article 16 of Chapter 2.3, Division 1 of the California Public Utilities Code.

“Sales Price” has the meaning set forth in Section 6.3.

“SBE” has the meaning set forth in Section 14.25(c).

“SCADA” has the meaning set forth in Section 7.2(f).

“Schedule” or **“Scheduling”** means the actions of Seller and Buyer, their Authorized Representatives, and their Transmission Providers, if applicable, of notifying, requesting, and confirming to each other the quantity of Facility Energy to be delivered hourly at each of the Points of Delivery or Alternate Point of Delivery, if applicable, on any given date during the Delivery Term.

“Scheduled Outage” means any outage with respect to the Facility other than a Forced Outage or an Unscheduled Outage.

“Scheduled Outage Projection” has the meaning set forth in Section 4.4(a).

“Scheduler” means the Persons doing Scheduling for each Party. The contact information for Buyer’s Scheduler and Seller’s Scheduler as of the Effective Date is set forth in item 3, Appendix C.

“SCPPA” has the meaning set forth in the preamble of this Agreement.

“Seller” has the meaning set forth in the preamble of this Agreement.

“Seller Ancillary Documents” means all instruments, agreements, certificates, and documents executed by Seller or any of its Affiliates pursuant to this Agreement and shall include the documents constituting part of the Performance Security.

“Seller Financing or Security Documents” means any credit, financing or security agreements heretofore or hereafter entered into by or otherwise affecting Seller and providing for

any Lien or other security interest or rights enforceable by any lender, trustee, collateral agent or other party in respect of the Facility or any assets thereof or rights or other interests therein.

“**Seller Party(ies)**” means Seller and any Affiliate of Seller that executes a Seller Ancillary Document.

“**SEL Cap**” has the meaning set forth in Section 11.8.

“**SEL Payment Notice**” has the meaning set forth in Section 11.8.

“**SEL Settlement**” means a settlement of a judicial or regulatory proceeding relating to the funding of the environmental mitigation of the Salton Sea located in Imperial and Riverside counties in California, including restoration thereof and other conservation and related purposes, that is entered into by Buyer and/or Applicable Buyer’s Members and that has the effect of reducing the Special Environmental Liability for which Buyer and Applicable Buyer’s Members are entitled to reimbursement from Seller under this Agreement.

“**SFPO**” has the meaning set forth in Section 14.25(h).

“**Shortfall Energy**” has the meaning set forth in Section 9.1.

“**Shortfall Liquidated Damages**” has the meaning set forth in Section 9.3.

“**Shortfall Makeup Period**” means the 12 calendar month period following the Contract Year during which the applicable Shortfall Energy initially occurs.

“**Site**” means the real property (including all fixtures and appurtenances thereto) and related physical and intangible property generally identified in Appendix B as owned or leased by Seller or over which Seller has a right-of-way or other right to use the property where the Facility is located, and including the well fields and the Leases, easements, rights-of-way, or contractual rights held or to be held by Seller with respect to the transmission lines or roadways of the Facility servicing such Site or the Facility and located thereon.

“**Special Environmental Liability**” means any charges, fees, costs, assessments, taxes, payments or liabilities relating to the funding of the environmental mitigation of the Salton Sea located in Imperial and Riverside counties in California, including restoration thereof and other conservation and related purposes, that Buyer or those Buyer’s Members, if any, that have executed an agreement or agreements to purchase the Energy delivered to Buyer under this Agreement (the “*Applicable Buyer’s Members*”), are legally obligated to pay pursuant to the Requirement of Law, any SEL Settlement, or any judicial or regulatory action or other requirement imposed by a Governmental Authority, but solely to the extent that such charges, fees, costs, assessments, taxes, payments or liabilities, in the case of Buyer, result from its participation under this Agreement or, in the case of the Applicable Buyer’s Members, result from the execution of an agreement or agreements for purchase of Energy delivered to Buyer under this Agreement; provided that in the event that Buyer and/or the Applicable Buyer’s Members’ liability relating to the funding of the environmental mitigation of the Salton Sea located in Imperial and Riverside counties in California result from their respective execution and/or purchases of energy from this Agreement and another agreement or agreements, the

Special Environmental Liability shall represent the portion of the aggregate environmental mitigation liability which in the case of Buyer, result from its participation under this Agreement or, in the case of the Applicable Buyer's Members, result from the execution of an agreement or agreements for purchase of Energy delivered to Buyer under this Agreement.

"Special Environmental Liability Entity" means an entity or entities to which Buyer or any Applicable Buyer's Member is obligated to make Special Environmental Liability payments pursuant to the Requirement of Law, any SEL Settlement, or any judicial or regulatory action or other requirement imposed by Government Authority.

"Special Purpose Entity" means a general partnership, limited liability company or corporation that on and after the date hereof:

(a) shall not (i) engage in any dissolution, liquidation or consolidation or merger with or into any other business entity except as permitted under the Indenture, (ii) acquire by purchase or otherwise all or substantially all of the business or assets of or beneficial interest in any other entity except as permitted under the Indenture, (iii) transfer, lease or sell, in one transaction or any combination of transactions, all or substantially all of its properties or assets except to the extent permitted herein or in the Indenture, (iv) modify, amend or waive any provisions of its organizational documents related to its status as a Special Purpose Entity without the affirmative vote of the Independent Manager, or (v) terminate its organizational documents or its qualifications and good standing in California; provided that, no action, event or occurrence referred to in (i), (ii) or (iii) hereinabove, may be undertaken, or engaged in or shall otherwise take place if such action, event or occurrence will impair Seller's obligations under the Agreement or impair or materially adversely affect the rights and interests of Buyer under the Agreement.

(b) is and will be organized solely for the purpose of acquiring, developing, owning, holding, financing, selling, leasing, transferring, exchanging, managing and operating the Facility, entering into this Agreement with Buyer and transacting lawful business that is incident, necessary and appropriate to accomplish the foregoing;

(c) will not engage in any business other than that relating to its limited purpose as set forth in the immediately preceding subsection (b);

(d) will not have any assets other than those related to the Facility;

(e) will hold itself out to the public as a legal entity separate and distinct from any other entity and will correct any known misunderstanding regarding the separate identity of such entity and has not identified and will not identify its members, or any Affiliate of any member, as a division or department or part of it, and has not identified itself and shall not identify itself as a division or department of any other Person;

(f) will maintain its financial statements, bank accounts, accounts, books, resolutions, agreements and records separate from any other Person (but subject to and as required under the terms of the Indenture and the Financing Documents) and has filed and will file its own tax returns (except to the extent treated as a "disregarded entity" for tax purposes and is not required to file tax returns under applicable law);

(g) will not commingle its funds or assets with those of any Person and has and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person (but subject to and as required under the terms of the Indenture and the Financing Documents);

(h) will not make loans or advances to any Person or hold evidence of indebtedness issued by any other Person (other than cash and investment grade securities issued by an entity that is not an Affiliate of or subject to common ownership with such entity and other than loans, advances, or evidence of indebtedness permitted under the Indenture and the Financing Documents (or other than investments permitted under any other agreement with a third party for the construction or permanent financing (or refinancing) of the Facility) or make any gifts or fraudulent conveyances to any Person;

(i) will not enter into or be a party to, any transaction with its members or Affiliates, except (a) in the ordinary course of its business and on terms which are commercially reasonable and are no less favorable to it than would be obtained in a comparable arm's-length transaction with an unrelated third party, (b) as otherwise required by the Indenture and the Financing Documents, and (c) pursuant to obtaining the prior written consent of Buyer, which consent shall not be withheld, conditioned or delayed unreasonably;

(j) will not have any obligation to indemnify and will not indemnify its officers, managers or members, as the case may be, other than with respect to acts or omissions relating to the Facility, this Agreement or otherwise in connection the business purpose for such entity under its organizational documents on the Effective Date;

(k) except as otherwise required by the Indenture and the Financing Documents, will not have any of its obligations guaranteed (other than pursuant to Performance Security and other than in connection with construction or permanent financing (or refinancing) of the Facility by a third party to the extent that the guarantee does not result in an increase in the amount of debt of the entity) by any Affiliate;

(l) will hold its assets in its own name and will conduct all business in its own name;

(m) will maintain its audited or unaudited (as applicable) financial statements, accounting records and other entity documents separate from any other Person, has filed and will file its own tax returns (except to the extent treated as a "disregarded entity" for tax purposes and is not required to file tax returns under applicable law), has not and will not permit its assets to be listed as assets on the financial statement of any other entity except as required by GAAP;

(n) will pay its own liabilities and expenses, including the salaries of its own employees, if any, out of its own funds and assets;

(o) will observe all material limited liability company formalities;

(p) except as otherwise required by the Indenture and the Financing Documents, will not assume or guarantee or become obligated for the debts of any other Person

and has not held out and will not hold out its credit as being available to satisfy the obligations of any other Person except as permitted pursuant to this Agreement;

(q) except as otherwise required by the Indenture and the Financing Documents, will not acquire obligations or securities of its members or any Affiliate;

(r) will allocate fairly and reasonably any overhead expenses that are shared with any Affiliate, including, but not limited to, paying for shared space and services performed by any employee of an Affiliate;

(s) except as otherwise required by the Indenture and the Financing Documents, will maintain and use separate stationery, invoice and checks bearing its name; such stationery, invoices and checks utilized by it or utilized to collect its funds or pay its expenses have borne and shall bear its own name and have not borne and shall not bear the name of any other entity unless such entity is clearly designated as being its agent;

(t) will have articles of organization, a certificate of formation or an operating agreement, as applicable, that provides that it will not, without the affirmative vote of its Independent Manager, file a bankruptcy or insolvency petition or otherwise institute insolvency proceedings with respect to itself or to any other entity in which it has a direct or indirect legal or beneficial ownership interest;

(u) is and intends to remain solvent and continue to pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) from its assets as the same shall have or become due, and has and intends to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations; and

(v) will have no indebtedness other than (i) any indebtedness incurred as provided by the Indenture and the Financing Documents, or any other loan made by a Facility Lender providing construction financing or refinancing for the Facility, (ii) Taxes and Insurance premiums, (iii) liabilities incurred in the ordinary course of business relating to its ownership, leasing and operation of the Facility and its routine administration, which liabilities are not more than sixty (60) days past due, are not evidenced by a note and are paid when due, and which amounts are normal and reasonable under the circumstances, and in any event not in excess of \$100,000 in the aggregate, and (iv) such other liabilities that are expressly permitted pursuant to this Agreement.

"System Emergency" means an emergency condition or abnormal interconnection situation that prevents Buyer's Transmission Provider from receiving Energy at the applicable Point of Delivery or Alternate Point of Delivery.

"Tax" or "Taxes" means each federal, state, county, local and other (a) net income, gross income, gross receipts, sales, use, ad valorem, business or occupation, transfer, franchise, profits, withholding, payroll, employment, excise, property or leasehold tax and (b) customs, duty or other fee, assessment or charge of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amount with respect thereto. Requirements of Buyer or Buyer's Members are not Taxes.

"Tax Equity Financing" means a transaction or a series of transactions in which a Person or Persons (i) invests in Seller or in an Upstream Equity Owner, (ii) purchases the Facility and leases it back to Seller (or an assignee) or (iii) leases the Facility from Seller or invests in a direct or indirect lessee of the Facility, in each case seeking to earn its economic return, in whole or in part, through tax benefits related to the ownership or operation of the Facility.

"Tax Equity Investor" means, with respect to a Tax Equity Financing, one or more tax equity investors that (i) invests in Seller or in an Upstream Equity Owner, (ii) purchases the Facility and leases it back to Seller (or an assignee) or (iii) leases the Facility from Seller or invests in a direct or indirect lessee of the Facility.

"Termination Notice" has the meaning set forth in Section 13.3(a).

"Termination Payment" means a payment in an amount equal to the Non-Defaulting Party's (a) Losses, plus (b) Costs, minus (c) Gains; provided, however that if such amount is a negative number, the Termination Payment shall be equal to zero.

"Transmission Providers" means the Persons operating the Transmission Systems providing Transmission Services to or from a Point of Delivery or Alternate Point of Delivery.

"Transmission Services" means the transmission and other services required to transmit Facility Energy to or from a Point of Delivery or the Alternate Point of Delivery.

"Transmission System" means the facilities utilized to provide Transmission Services.

"Total Nominal Capacity Net of Parasitic Load" means approximately 35 MW under expected average site conditions.

"Total Nominal Gross Nameplate Capacity" means approximately 58 MW.

"Unexcused Cause" has the meaning set forth in Section 14.6(b).

"Unscheduled Outage" means any outage with respect to the Facility, other than a Forced Outage or a Scheduled Outage, that has not been scheduled and requires the removal from service of the Facility, or any portion thereof, for necessary repairs or remediation of operational conditions.

"Upstream Equity Owner" means Ormat Nevada Inc. and any upstream equity owner of Seller at any level below Ormat Nevada Inc.

"WAPA" means the Western Area Power Administration, a power marketing administration within the United States Department of Energy.

"WBE" has the meaning set forth in Section 14.25(c).

"WECC" means the Western Electricity Coordinating Council.

“WREGIS” means Western Renewable Energy Generation Information System.

“WREGIS Certificates” has the meaning set forth in Section 8.4.

“WREGIS Operating Rules” means the rules describing the operations of the Western Renewable Energy Generation Information System, as published by WREGIS.

Other terms defined herein have the meanings so given when used in this Agreement with initial-capitalized letters.

Section 1.2 Interpretation. In this Agreement, unless a clear contrary intention appears:

- (a) the singular number includes the plural number and vice versa;
- (b) reference to any Person includes such Person’s successors and assigns but, in case of a Party hereto, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;
- (c) reference to any gender includes the other;
- (d) reference to any agreement (including this Agreement), document, instrument, tariff, or Requirement means such agreement, document, instrument, or tariff, or Requirement, as amended, modified, replaced, or superseded and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof;
- (e) reference to any Article, Section, or Appendix means such Article of this Agreement, Section of this Agreement, or such Appendix to this Agreement, as the case may be, and references in any Article or Section or definition to any clause means such clause of such Article or Section or definition;
- (f) “hereunder,” “hereof,” “hereto,” and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article or Section or other provision hereof or thereof;
- (g) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term;
- (h) relative to the determination of any period of time, “from” means “from and including,” “to” means “to but excluding,” and “through” means “through and including”;
- (i) reference to time shall always refer to Pacific Prevailing Time; and reference to any “day” or “month” shall mean a calendar day or calendar month, as applicable, unless otherwise indicated; and
- (j) the term “or” is not exclusive.

ARTICLE II
EFFECTIVE DATE, TERM, AND EARLY TERMINATION

Section 2.1 Effective Date. This Agreement shall be effective on the later of (a) the date that both Parties have executed this Agreement, and (b) the date that all of the following conditions have been satisfied (the "*Effective Date*");

- (a) Seller shall have delivered to Buyer the Non-Consolidation Opinion;
- (b) Seller shall have delivered to Buyer copies of the Leases;
- (c) Seller shall have delivered to Buyer copies of all requisite resolutions and incumbency certificates of each Seller Party and any other documents evidencing the necessary actions taken by each Seller Party to authorize the execution and delivery of this Agreement and all Seller Ancillary Documents requiring execution by such Seller Party, such resolutions to be certified as of the Effective Date by an authorized representative of the Seller Party;
- (d) Seller shall have delivered to Buyer an executed original of a written legal opinion of Chadbourne & Parke LLP or Winston & Strawn LLP, counsel for Seller, or other outside counsel reasonably acceptable to Buyer, concerning the enforceability and due authorization of this Agreement and the Seller Ancillary Documents in form reasonably satisfactory to Buyer, dated as of the Effective Date and addressed to Buyer;
- (e) The Project Commencement Security shall have been delivered to Buyer by Seller;
- (f) Seller has provided reasonable evidence to Buyer that the Insurance is in full force and effect upon the Effective Date;
- (g) Seller has provided reasonable evidence to Buyer that all Permits described in Section 8 of Appendix B are in full force and effect; and
- (h) Seller shall have delivered to Buyer evidence that the Facility has been CEC Certified.
- (i) Seller has delivered to Buyer a letter by the Southern California Edison Company ("SCE") received by Seller providing notice of termination of the Power Purchase and Sales Agreement between Seller and SCE, dated July 18, 1984, effective at the end of the day on November 29, 2017.

Seller and Buyer shall cooperate reasonably with each other to accomplish and evidence satisfaction of the conditions precedent set forth above in a timely manner.

Section 2.2 Agreement Term and Delivery Term. This Agreement shall have a delivery term (the "*Delivery Term*") of twenty-five (25) Contract Years commencing on the Delivery Commencement Date and ending at the end of the twenty-fifth (25th) Contract Year, unless sooner terminated in accordance with the terms of this Agreement. The term of this Agreement (the "*Agreement Term*") shall commence on the Effective Date and shall end on the

last day of the Delivery Term or upon the expiration or earlier termination of this Agreement in accordance with the terms hereof.

Section 2.3 Survivability. The provisions of this Article II, Article XII, Article XIII, Section 14.19, and Section 14.21 shall survive for a period of one (1) year following the termination of this Agreement. The provisions of Article XI shall survive for a period of one (1) year following final payment made by the Buyer hereunder or the expiration or termination date of this Agreement, whichever is later. The provisions of Article V, Article VI, Article VIII, and Article IX shall continue in effect after termination to the extent necessary to provide for final billing, refunds or other adjustments, and deliveries related to the period prior to termination of this Agreement.

Section 2.4 Early Termination.

(a) **Early Termination by Mutual Agreement.** This Agreement may be terminated by mutual written agreement of the Parties.

(b) **Early Termination for Default.** Upon the occurrence of a Default, the Non-Defaulting Party may terminate this Agreement as set forth in Section 13.3.

(c) **Reserved.**

(d) **Early Termination for Failure to Achieve Delivery Commencement.** Buyer, in its sole discretion, may terminate this Agreement effective upon notice to Seller if Seller fails to achieve the Delivery Commencement Milestone by ninety (90) days following the Delivery Commencement Milestone Date, as extended pursuant to Section 3.6, provided that such notice is delivered to Seller within sixty (60) days of such failure. If Seller's failure to achieve Delivery Commencement on or before the Delivery Commencement Milestone Date is due to Force Majeure and Buyer elects to terminate, Buyer shall release and return to Seller the Project Commencement Security required under Section 5.9 on the effective date of such termination. Notwithstanding the foregoing, Buyer shall not have the right to terminate this Agreement under this Section 2.4(d) to the extent that Seller pays liquidated damages under Section 3.7(b) until after Seller pays such liquidated damages for ninety (90) days, in which case, notice of termination must be received within one hundred fifty (150) days of the extended Delivery Commencement Milestone Date. Early termination under this Section 2.4(d) and payment by Seller of liquidated damages under Section 3.7(b), or payment by Seller of liquidated damages in connection with an early termination of the Agreement by Seller pursuant to Section 2.4(h), as applicable, are Buyer's exclusive remedies for any failure of Seller to achieve Delivery Commencement by the Delivery Commencement Milestone Date.

(e) **Early Termination Pursuant to Section 11.9.** This Agreement may be terminated by Buyer pursuant to Section 11.9 and upon such termination, Buyer shall return the Delivery Term Security to Seller as and to the extent provided in Section 5.9(d).

(f) **Early Termination for Force Majeure.** This Agreement may be terminated pursuant to Section 14.6(d), provided that such termination shall on the effective date of such termination automatically trigger release and return of the Project Commencement Security or Delivery Term Security, as applicable, required under Section 5.9.

(g) **Early Termination for Agreement's failure to comply with Article 1 of Chapter 11 of Division 2 of Title 20 of the California Code of Regulations.** Notwithstanding the provisions of Section 8.6, in the event that, within sixty (60) days after the CEC's receipt of a complete compliance filing under Sections 2909 and 2910 of Article 1 of Chapter 11 of Division 2 of Title 20 of the California Code of Regulations, the CEC issues a decision pursuant to Section 2910 of Article 1 of Chapter 11 of Division 2 of Title 20 of the California Code of Regulations finding that this Agreement fails to comply with Article 1 of Chapter 11 of Division 2 of Title 20 of the California Code of Regulations, then this Agreement shall be void, and any and all deliveries of Delivered Energy shall be terminated no later than the effective date of such decision of noncompliance by the CEC pursuant to Section 2910 of Article 1 of Chapter 11 of Division 2 of Title 20 of the California Code of Regulations.

(h) **Early Termination for Transmission Failure.** This Agreement may be terminated by Seller if Seller fails to achieve Delivery Commencement by the Delivery Commencement Milestone Date as a result of Seller's inability to obtain use of Transmission Services that are sufficient to permit Seller to deliver the Facility Energy Delivery Share (i) to the Point of Delivery at IID's Highline 92 kV Substation, using exclusively IID's Transmission Services and Transmission System, and (ii) to the Point of Delivery at the 230 kV Mead Substation, using, exclusively, IID's Transmission Services and Transmission System and WAPA's Transmission Services and Transmission System, or in the event that Seller shall be unable to obtain such use of WAPA's Transmission Services and Transmission System by the Delivery Commencement Milestone Date, as it may be extended as provided in Section 3.6, Seller shall also be unable to obtain use of IID's Transmission Services and Transmission System and the Transmission Services and Transmission System provided by CAISO as Transmission Provider for delivery of the Facility Energy Delivery Share to the Point of Delivery at the Mead 230 kV Substation, in each case by the Delivery Commencement Milestone Date, as it may be extended as provided in Section 3.6, and in each case due to no fault of Seller. Notice by Seller of the exercise of its right of termination of this Agreement under this Section 2.4(h) shall be provided to Buyer within five (5) Business Days following such Delivery Commencement Milestone Date, as it may have been so extended, and Buyer shall thereupon be entitled to the payment by Seller in the full amount of liquidated damages for failure to achieve Delivery Commencement equal to \$3,900,000 and Buyer shall then be entitled to immediately draw upon and retain the proceeds of the Project Commencement Security in the amount of \$3,900,000 as and for liquidated damages. Such draw and retention of proceeds shall be Buyer's sole remedy in connection with the events and circumstances associated with such termination by Seller. Any termination by Seller under this Section 2.4(h) shall be effective on the earlier of five (5) Business Days after Seller's notice to Buyer of the exercise of such right of termination or the date on which Buyer receives the full amount of its draw on the Project Commencement Security; provided, however, that if Buyer properly attempts to draw on the Project Commencement Security and does not receive full payment by the Qualified Issuer of such Project Commencement Security, termination under this Section 2.4(h) shall be effective upon the date on which Buyer receives proceeds in an amount equal to \$3,900,000 from the Project Commencement Security or from Seller.

(i) **Effect of Termination.** Any termination of this Agreement under this Section 2.4 shall be without prejudice to the rights and remedies of either Party for Defaults occurring prior to such termination; provided that there shall be no damages in connection with

the events and circumstances associated with a termination under (i) Section 2.4(f), or (ii) Section 2.4(h), other than as provided in Section 2.4(h).

ARTICLE III DEVELOPMENT OF THE FACILITY

Section 3.1 Permitting and CEQA Determinations. Seller has obtained all Permits required for operation and maintenance of the Facility. If and to the extent that any refurbishing, repowering or other modification of the Facility requires that Seller obtain a new or additional Permit in order to comply with CEQA, then:

(a) Seller's obligations to timely take all steps necessary to obtain all Permits pursuant to this Section 3.1 shall include representing the Facility as necessary at all meetings and proceedings before all Governmental Authorities and timely preparing any environmental documents that may be required for the review of the modification of the Facility under CEQA (the "*Environmental Documents*"). If applicable, Seller shall provide Buyer with true and complete copies of all Environmental Documents (including, without limitation, any NEPA Environmental Assessment related to the Facility) prepared during the Agreement Term.

(b) If Buyer is a responsible agency under CEQA with respect to the proposed modification of the Facility, then Buyer shall have all rights and powers available to it as a responsible agency under CEQA to participate in the CEQA review of the modification of the Facility, including commenting on the lead agency's notice of preparation, consulting with the lead agency during preparation of the CEQA EIR, and commenting on the draft CEQA EIR.

(c) If Buyer is a responsible agency under CEQA with respect to the proposed modification of the Facility, then Buyer shall have the full discretion to consider the CEQA EIR in order to reach its own CEQA decision about the modification of the Facility and therefore shall retain its full authority under CEQA to: (i) adopt feasible mitigation measures or alternatives to avoid or lessen significant environmental impacts resulting from the modification of the Facility; (ii) determine that any significant impacts that cannot be mitigated are acceptable due to overriding concerns; or (iii) decide to withhold its discretionary approval of the modification of the Facility due to its significant adverse environmental impacts.

(d) The Parties shall work together in good faith to make any necessary amendments to this Agreement required in connection with the CEQA review process.

Section 3.2 Reserved.

Section 3.3 Reserved.

Section 3.4 Site Confirmation. Seller represents and warrants that (a) Seller's agents and representatives have visited, inspected, and are familiar with the Site and its surface physical condition relevant to the obligations of Seller pursuant to this Agreement, including surface conditions, normal and usual soil conditions, roads, utilities, and topographical, solar radiation, air, and water quality conditions, (b) to its knowledge, Seller is familiar with all local and other conditions that may be material to Seller's performance of its obligations under this Agreement (including transportation, seasons and climate, access, weather, handling and storage of materials

and equipment, and availability and quality of labor and utilities), and (c) Seller has determined that the Site constitutes an acceptable and suitable site for the operation of the Facility in accordance herewith. Any failure by Seller to have taken or to take the actions described in this Section shall not relieve Seller from any responsibility for estimating properly the difficulty and cost of successfully maintaining or operating the Facility in accordance with this Agreement or from proceeding to maintain and operate the Facility successfully without any additional expense to Buyer.

Section 3.5 Certification of Delivery Commencement Date. Seller shall provide Buyer with notice when Seller believes that all requirements under this Agreement for achieving Delivery Commencement, including the conditions precedent specified in the definition of "Delivery Commencement" in Section 1.1, have been satisfied with respect to the delivery of the Facility Energy Delivery Share to each of the respective Points of Delivery or Alternate Point of Delivery, as applicable, using (i) the IID Transmission Services and Transmission System for the Highline 92 kV Substation Point of Delivery, and either (ii) the IID Transmission Services and Transmission System and WAPA's Transmission Services and Transmission System for the 230 kV Mead Substation Point of Delivery, or in the event that Seller shall be unable to obtain such use of WAPA's Transmission Services and Transmission System by the Delivery Commencement Milestone Date, as it may be extended as provided in Section 3.6, IID's Transmission Services and Transmission System and the Transmission Services and Transmission System provided by CAISO as Transmission Provider for delivery of the Facility Energy Delivery Share to the Point of Delivery at the Mead 230 kV Substation; or (iii) the IID Transmission Services and Transmission System for the Alternate Point of Delivery. Buyer shall either accept or reject such Delivery Commencement notice in its reasonable discretion by delivering a notice to Seller in writing within thirty (30) Business Days. If Buyer fails to respond within thirty (30) Business Days, it shall be deemed to have accepted the notice. If Buyer rejects the notice, Buyer shall state in detail the reasons for its rejection. The Parties shall immediately meet and confer to address Buyer's concerns. Delivery Commencement shall be deemed to have occurred on the date that the requirements for Delivery Commencement are satisfied, which date may be earlier than the date on which Buyer accepts Seller's notice that Delivery Commencement has occurred and/or the date on which any concerns that Buyer expresses in connection with Seller's notice are resolved; provided the Parties acknowledge or are deemed to have acknowledged, or it is determined through dispute resolution, that all such requirements for Delivery Commencement have been satisfied on such earlier date.

Section 3.6 Milestone Schedule. Attached as Appendix I is a Milestone schedule with deadlines for the development of the Facility through the Delivery Commencement Date (each, a "*Milestone*") and footnotes that set forth documents required to be provided by Seller to Buyer with respect to each Milestone by the Milestone Date therefor. Until the Delivery Commencement Date, Seller shall provide Buyer a quarterly report setting forth the status of each Milestone, including any slippage in any deadline. Seller shall achieve each Milestone by the date specified therefor in such Milestone schedule, provided that (i) such Milestone Date, other than the Delivery Commencement Milestone Date, may be extended by Seller by providing to Buyer notice of such extension at least fifteen (15) days (or, in the event of a Force Majeure concerning which fifteen (15) days advance notice is not practicable, as soon as practicable) prior to such Milestone Date for Force Majeure delays and delays caused by Buyer's failure to perform its obligations under this Agreement, and (ii), the Delivery Commencement Milestone

Date may be extended by Seller by providing to Buyer notice of such extension, as soon as practicable, prior to such Milestone Date (A) for Force Majeure delays and delays caused by Buyer's failure to perform its obligations under this Agreement, and (B) if Seller is prevented from satisfying the requirement provided in (ii) of clause (f) of the definition of "Delivery Commencement", if and only if, Seller's inability to satisfy the requirement provided in (ii) of clause (f) of the definition of "Delivery Commencement" is only due to curtailment of, or constraints relating to, Transmission Service meeting the requirements of Section 14.6(c)(A) and (B), as applied *mutatis mutandis* to such curtailments or constraints, and not any other requirement in Section 14.6 related to Force Majeure, provided that any extension of the Delivery Commencement Milestone Date pursuant to Section 3.6(ii)(B) may not extend such Milestone Date beyond April 1, 2018. The date specified for each Milestone shall be the Milestone Date for achieving such Milestone, provided that, if and to the extent such date shall be extended as provided in this Section 3.6, the extended date shall be the Milestone Date for purposes of this Agreement. Notwithstanding anything herein to the contrary, Seller shall not be in default or otherwise have any liability under this Agreement for failing to meet a Milestone Date, other than the Delivery Commencement Milestone Date to the extent provided in Section 3.7 of this Agreement, so long as Seller provides to Buyer within ten (10) days of failing to meet any such Milestone Date a remedial action plan reasonably acceptable to Buyer explaining the reasons for Seller's failure to meet such Milestone Date and the steps that Seller will take to ensure that Seller is able to achieve Delivery Commencement by the Delivery Commencement Milestone Date, plus ninety (90) days.

Section 3.7 Performance Damages.

(a) Reserved.

(b) If Seller fails to achieve the Delivery Commencement Milestone by the Delivery Commencement Milestone Date, Seller shall pay liquidated damages to Buyer in an amount equal to forty three thousand three hundred seventy dollars (\$43,370) per day, up to a maximum of three million nine hundred thousand dollars (\$3,900,000) in the aggregate, for each day intervening between the Delivery Commencement Milestone Date and the earlier of (x) the date Delivery Commencement is achieved, and (y) the date, if any, on which this Agreement is terminated pursuant to Section 2.4.

(c) Damages that Buyer would incur due to Seller's failure to timely achieve a Milestone would be difficult or impossible to predict with certainty, and it is impractical or difficult to assess actual damages in those circumstances, but the liquidated damages set forth in this Section 3.7 are fair and reasonable calculations of such damages.

Section 3.8 Reserved.

Section 3.9 Interim Delivery Period.

(a) The Interim Delivery Period under this Section 3.9 shall commence upon Seller's completion of all of the requirements for Delivery Commencement, other than clause (f) of the definition of Delivery Commencement. During the Interim Delivery Period, the Facility Energy shall be RPS Compliant and EPS Compliant and (i) the Facility Energy Delivery Share

required to be delivered to the Point of Delivery at the Highline 92 kV Substation shall be delivered to such Point of Delivery, and (ii) the Facility Energy Delivery Share required to be delivered to the Point of Delivery at the Mead 230 kV Substation shall be delivered to (A) the Mead 230 kV Substation Point of Delivery utilizing the Transmission Services of IID and CAISO as Transmission Providers with respect to the alternate Transmission System, or (B) the Alternate Point of Delivery (if applicable). Seller is responsible for all CAISO charges associated with its import of Facility Energy into, delivery of Facility Energy over and export of Facility Energy from the CAISO Transmission System hereunder for purposes of delivering the Facility Energy Delivery Share to the Point of Delivery at the Mead 230 kV Substation using CAISO Transmission Services, except to the extent caused by the negligence or willful misconduct of Buyer.

(b) If the Interim Delivery Period does not commence as of November 30, 2017, then commencing on November 30, 2017, and continuing until the commencement of the Interim Delivery Period, Seller shall sell and deliver to the respective Points of Delivery or Alternate Point of Delivery (if applicable), and Buyer shall purchase and receive at and from the respective Points of Delivery or Alternate Point of Delivery (if applicable), the Delivered Energy in amounts equal to the applicable Facility Energy Delivery Shares applicable to each Point of Delivery or Alternate Point of Delivery at the price set forth in Section 1 of Appendix A. During the Interim Delivery Period, Seller shall sell and deliver to the respective Points of Delivery or Alternate Point of Delivery (if applicable), and Buyer shall purchase and receive at and from the respective Points of Delivery or Alternate Point of Delivery (if applicable), the Delivered Energy in amounts equal to the applicable Facility Energy Delivery Shares applicable to each Point of Delivery or Alternate Point of Delivery at the price set forth in Section 2 of Appendix A. Seller shall make arrangements to and bear all costs associated with transmitting the Delivered Energy to the respective Points of Delivery or Alternate Point of Delivery (if applicable) as provided in Section 7.3 and Buyer shall make arrangements to and bear all costs associated with transmitting such Delivered Energy at and from the respective Points of Delivery or Alternate Point of Delivery (if applicable) as provided in Section 7.3. Seller and Buyer shall coordinate to ensure adequate scheduling of such Delivered Energy in accordance with Section 7.2.

(c) The purchase and sale of Facility Energy pursuant to this Agreement, whether prior to the Interim Delivery Period, during the Interim Delivery Period, or during the Delivery Term, shall not commence before November 30, 2017, unless Seller and Buyer shall mutually agree to such purchase and sale of Facility Energy pursuant to the terms of this Agreement prior to such date.

Section 3.10 Delivery of Energy Following Delivery Commencement.

(a) If Seller shall have achieved Delivery Commencement as provided under Section 3.5, to the extent that the Parties are not utilizing the Alternate Point of Delivery pursuant to Section 3.12 and Seller achieved Delivery Commencement by satisfying the requirement provided in (ii) of clause (f) of the definition of Delivery Commencement, but IID's Transmission Services or WAPA's Transmission Services shall not then be available for delivery of the Facility Energy Delivery Share to the 230 kV Mead Substation Point of Delivery, other than due to curtailment or other interruption of such Transmission Services under Section 7.5, Seller by furnishing Buyer with at least thirty (30) days written notice (or such shorter period

with written approval of Buyer) may utilize the Transmission Services provided by CAISO as Transmission Provider and the alternate Transmission Systems for the delivery of the Facility Energy Delivery Share to the 230 kV Mead Substation Point of Delivery if and so long as such Transmission Services shall be provided in accordance with the requirements of the Agreement and shall be, to the reasonable satisfaction of Buyer, in compliance with such conditions applicable to Transmission Services as are provided for achieving Delivery Commencement. If the event provided above in this Section 3.10(a) shall have occurred, Seller may thereafter, by furnishing Buyer with at least thirty (30) days prior written notice use either IID's Transmission Services and the Transmission Services provided by CAISO as Transmission Provider and the alternate Transmission Systems for the delivery of the Facility Energy Delivery Share to the 230 kV Mead Substation Point of Delivery or use IID's Transmission Services and its Transmission System and WAPA's Transmission Services and its Transmission System for the delivery of the Facility Energy Delivery Share to the 230 kV Mead Substation Point of Delivery under the Agreement.

(b) If Seller shall have achieved Delivery Commencement as provided under Section 3.5, to the extent that the Parties are not utilizing the Alternate Point of Delivery pursuant to Section 3.12 and Seller achieved Delivery Commencement by satisfying the requirement provided in (iii) of clause (f) of the definition of Delivery Commencement, but Seller has obtained the use of WAPA's Transmission Services, then Seller may by furnishing Buyer with at least thirty (30) days prior written notice (or such shorter period with written approval of Buyer), utilize the Transmission Services and Transmission System of WAPA as Transmission Provider for the delivery of the Facility Energy Delivery Share to the 230 kV Mead Substation Point of Delivery, if and so long as such Transmission Services shall be provided in accordance with the requirements of the Agreement and shall be, to the reasonable satisfaction of Buyer, in compliance with such conditions applicable to Transmission Services as are provided for achieving Delivery Commencement. If the event provided in this Section 3.10(b) shall have occurred, Seller may thereafter, by furnishing Buyer with at least thirty (30) days prior written notice, use either IID's Transmission Services and the Transmission Services provided by WAPA as Transmission Provider for the delivery of the Facility Energy Delivery Share to the 230 kV Mead Substation Point of Delivery, or use IID's Transmission Services and its Transmission System and CAISO's Transmission Services and its Transmission System for the delivery of the Facility Energy Delivery Share to the 230 kV Mead Substation Point of Delivery under the Agreement.

(c) In each of the cases under (a) and (b) of this Section 3.10, Seller shall be responsible for all charges by WAPA or CAISO, respectively, associated with its import of Facility Energy into, delivery of Facility Energy over, and the export of Facility Energy from, WAPA's Transmission System or CAISO's Transmission System, as applicable, as provided under this Section 3.10 for purposes of delivering the Facility Energy Delivery Share to the Point of Delivery at the Mead 230kV Substation using WAPA's Transmission Services or CAISO's Transmission Services, as applicable.

Section 3.11 Decommissioning and Other Costs. Buyer shall not be responsible for any cost of decommissioning or demolition of the Facility or any part thereof or any environmental or other liability associated with the decommissioning or demolition without regard to the timing or cause of the decommissioning or demolition.

Section 3.12 Alternate Point of Delivery. Buyer anticipates that, prior to December 31, 2021, it may experience limitations on its ability to receive the Facility Energy Delivery Share at the Point of Delivery at the Mead 230 kV Substation. The Parties anticipate that the Facility Transmission Rights and Interests to be obtained by Seller for the delivery of the Facility Energy Delivery Share to the Point of Delivery at the Mead 230 kV Substation will permit Seller to request that IID enable Seller to deliver Facility Energy using IID's Transmission Services and Transmission System to (i) Blythe 161 kV substation (IID side of such substation), or to either (ii) the Mirage 230 kV substation (IID side of such substation), or (iii) the Imperial Valley 230 kV substation (IID side of such substation) (each a "**Redirect**"). If Seller's Facility Transmission Rights and Interests for use of IID's Transmission Services and Transmission System permit Seller to request a Redirect, then, upon Buyer's request, Seller will request that IID approve a Redirect to the Alternate Point of Delivery specified by Buyer in its request and for the duration specified by Buyer in its request, provided that if such Redirect would result in any incremental cost to Seller or reduction in revenue received by Seller hereunder, Seller will not be required to request IID's approval for such Redirect unless Seller and Buyer mutually agree with respect to their responsibility for payment of such incremental cost or for such reduction in revenue. If IID approves a request for a Redirect submitted pursuant to the foregoing sentence, then, for the duration of the approved Redirect, Seller will deliver the Facility Energy Delivery Share to the Alternate Point of Delivery specified in such request using IID's Transmission Services and Transmission System. If IID does not approve a request for a Redirect, then Seller will continue to sell and deliver, and Buyer will continue to purchase and receive, the Facility Energy Delivery Share to the Point of Delivery at the Mead 230 kV Substation in accordance with the other terms and conditions of this Agreement.

ARTICLE IV OPERATION AND MAINTENANCE OF THE FACILITY

Section 4.1 General Operational Requirements. Seller shall, at all times:

(a) At its sole expense, operate and maintain the Facility (i) in accordance with the Requirements, and (ii) in a manner that, to the extent commercially reasonable to do so, is reasonably likely to maximize the output of Energy from the Facility and result in a useful life for the Facility of not less than twenty five (25) years;

(b) Employ qualified and trained personnel for managing, operating, and maintaining the Facility and for coordinating with Buyer, and ensure that necessary personnel are available on-site or on-call twenty-four (24) hours per day during the Delivery Term;

(c) Operate and maintain the Facility with due regard for the safety, security, and reliability of the interconnected facilities and Transmission System; and

(d) Comply, to the extent commercially reasonable to do so, with operating and maintenance standards recommended or required by the Facility's equipment suppliers.

Section 4.2 Operation and Maintenance Plan; Operation and Maintenance Reports. Seller shall devise and implement a plan of inspection, maintenance, and repair for the Facility and the components thereof in order to maintain such equipment in accordance with

Prudent Utility Practices, and shall keep records with respect to inspections, maintenance, and repairs thereto. The aforementioned plan and all records of such activities shall be available for inspection by Buyer during Seller's regular business hours upon reasonable notice; provided that Buyer shall at all times comply with Seller's or the contractor's safety and security requirements when present at the Facility.

Section 4.3 Environmental Credits. Seller shall, if applicable, obtain in its own name and at its own expense all pollution or environmental Permits, credits or offsets necessary to operate the Facility in compliance with the Requirements of Law.

Section 4.4 Scheduled and Unscheduled Outages.

(a) Buyer and Seller shall cooperate to minimize Scheduled Outages during certain consecutive or nonconsecutive weeks of each Contract Year (not to exceed twelve (12) weeks per Contract Year) (the "*Major Maintenance Blockout*"), but in accordance with Prudent Utility Practices. No later than one hundred twenty (120) days prior to the anticipated Delivery Commencement Date and the commencement of each Contract Year thereafter, Buyer shall provide Seller with its specified Major Maintenance Blockout. In the absence of such updated notification, the most recent previous Major Maintenance Blockout notification shall apply. Seller shall attempt to minimize its Scheduled Outages during the Major Maintenance Blockout consistent with Prudent Utility Practices. No later than sixty (60) days prior to the anticipated Delivery Commencement Date and the commencement of each Contract Year thereafter, Seller shall provide Buyer with its non-binding written projection of all Scheduled Outages for the succeeding three (3) years (the "*Scheduled Outage Projection*") reflecting a minimized schedule of scheduled maintenance during the Major Maintenance Blockout. In addition, Seller shall use commercially reasonable efforts to accommodate Buyer's reasonable maintenance scheduling requests consistent with Prudent Utility Practices. The Scheduled Outage Projection shall include information concerning all projected Scheduled Outages during such period, including (i) the anticipated start and end dates of each Scheduled Outage; (ii) a description of the maintenance or repair work to be performed during the Scheduled Outage; and (iii) the anticipated MW capacity, if any, during the Scheduled Outage. Seller shall notify Buyer of any change in the Scheduled Outage Projection as soon as practicable, but in no event later than thirty (30) days prior to the originally-scheduled date of the Scheduled Outage. Seller will use commercially reasonable efforts to accommodate reasonable requests of Buyer with respect to the timing of Scheduled Outages and Seller will, to the extent consistent with Prudent Utility Practices, coordinate Scheduled Outages to coincide with planned transmission outages. In the event of a System Emergency, Seller shall make all reasonable efforts to reschedule any Scheduled Outage previously scheduled to occur during the System Emergency.

(b) In the event of a Forced Outage affecting at least fifty percent (50%) of the Total Nominal Capacity Net of Parasitic Load which Seller anticipates shall be of a duration more than one (1) hour, to the extent practicable, Seller shall notify Buyer within two (2) hours after the commencement of the Forced Outage and, within seven (7) days thereafter, provide detailed information concerning the Forced Outage, including (i) the start and anticipated end dates of the Forced Outage; (ii) a description of the cause of the Forced Outage; (iii) a description of the maintenance or repair work to be performed during the Forced Outage; and (iv) the anticipated MW capacity, if any, during the Forced Outage. Seller shall take all

reasonable measures and exercise commercially reasonable efforts to avoid Forced Outages and to limit the duration and extent of any such outages.

(c) In the event of an Unscheduled Outage affecting at least fifty percent (50%) of the Total Nominal Capacity Net of Parasitic Load which Seller anticipates shall be of a duration of more than one (1) hour, Seller shall use its best efforts to notify Buyer of the Unscheduled Outage prior to the commencement of such Unscheduled Outage; provided, however, that if it is not practicable for Seller to notify Buyer of the Unscheduled Outage prior to its commencement, Seller shall notify Buyer of the Unscheduled Outage as soon as practicable after the commencement thereof and, further, shall, within seven (7) days after such notification, provide Buyer with detailed information concerning such Unscheduled Outage, including (i) a description of the cause of such Unscheduled Outage, (ii) a description of any necessary Facility repairs and replacements, (iii) the remediation of any operational condition affecting the Facility, and (iv) the MW of Facility capacity affected and the duration with respect to such Unscheduled Outage. Seller shall take reasonable measures to avoid Unscheduled Outages and to limit the duration thereof.

Section 4.5 Facility Operation. The Facility shall be operated during the Delivery Term by Seller or such other Person(s) as Seller may contract with from time to time. If Seller contracts with another Person to operate the Facility, the agreement between Seller and such Person shall require that such Person operate the Facility in a manner that is in full compliance with the Requirements. Seller shall provide to Buyer a copy of the relevant agreement (which may be redacted to remove confidential information of the parties thereto).

ARTICLE V COMPLIANCE DURING OPERATION PERIOD; GUARANTEES

Section 5.1 Guarantees. Seller warrants and guarantees that (i) it will perform, or cause to be performed, all engineering, operation and maintenance of the Facility in a good and workmanlike manner and in accordance with the Requirements; and (ii) throughout the Delivery Term (a) the Facility will be free and clear of all Liens other than Permitted Encumbrances, and (b) the Facility and all parts thereof will be operated and maintained in material compliance with the Requirements, all applicable requirements of the latest revision of the ASTM, ASME, AWS, EPA, EEL, IEEE, ISA, National Electrical Code, National Electric Safety Code, and OSHA, as applicable, and the Uniform Building Code, Uniform Plumbing Code, and the applicable local County Fire Department Standards of the applicable county. Seller shall promptly repair or replace, consistent with Prudent Utility Practice, any component of the Facility that does not comply with the foregoing warranties and guarantees. Seller shall at all times exercise commercially reasonable efforts to undertake all recommended or required updates or modifications to the Facility, and its equipment and materials, including procedures, programming and software in a timely manner. Seller shall, at its expense, maintain or cause to be maintained throughout the Delivery Term an inventory of spare parts for the Facility in a quantity that is consistent with manufacturers' recommendations and Prudent Utility Practice.

Section 5.2 Buyer's Right to Monitor in General. At Buyer's sole expense and without interfering with Seller's activities at the Facility, Buyer shall have the right, and Seller shall permit Buyer and its representatives, advisors, engineers, and consultants, to observe,

inspect, and monitor all operations and activities at the Site; provided that Buyer shall at all times comply with Seller's or the operator's safety and security requirements when present at the Facility. Notwithstanding the foregoing, Seller shall have the right and Buyer shall permit Seller to withhold any proprietary information, including with respect to proprietary intellectual property of Seller; provided that such information shall be provided by Seller to Buyer to the extent required by Buyer to enforce its rights or to carry out its responsibilities under this Agreement. In addition, Buyer shall hold any information obtained during or in connection with such monitoring in confidence pursuant to Section 14.21.

Section 5.3 Effect of Review by Buyer. Any review by Buyer of the operation or maintenance of the Facility is solely for the information of Buyer. Buyer shall have no obligation to share the results of any such review with Seller, nor shall any such review or the results thereof (whether or not the results are shared with Seller) nor any failure to conduct any such review relieve Seller from any of its obligations under this Agreement. By making any such review, Buyer makes no representation as to the economic and technical feasibility, operational capability or reliability of the Facility. Seller shall in no way represent to any third party that any such review by Buyer of the Facility, including, but not limited to, any review of the operation or maintenance of the Facility by Buyer, is a representation by Buyer as to the economic and technical feasibility, operational capability, or reliability of the Facility. Seller is solely responsible for the economic and technical feasibility, operational capability and reliability thereof.

Section 5.4 Reporting and Information; Administration and Periodic Reporting.

(a) Seller shall provide to Buyer such other information regarding the permitting or operations of Seller, its subcontractors or the Facility, financial or otherwise, and other data concerning Seller, its subcontractors or the Facility as Buyer may, from time to time, reasonably request in order to enforce its rights or discharge its responsibilities under this Agreement. Until the Delivery Commencement Date, Seller shall provide to Buyer quarterly written reports describing permitting and development activities in the previous quarter and anticipated progress and activities for the upcoming quarter. Notwithstanding the foregoing, Seller shall have the right and Buyer shall permit Seller to withhold any proprietary information, including with respect to the intellectual property of Seller; provided that such information shall be provided by Seller to Buyer to the extent required by Buyer to enforce its rights or to carry out its responsibilities under this Agreement. In addition, Buyer shall hold any information obtained during or in connection with such monitoring in confidence pursuant to Section 14.21.

(b) Seller shall perform administrative and periodic reporting to Buyer which shall include the following:

(i) Safety matters including monthly reports, including OSHA recordable and non-recordable incidents and site safety information;

(ii) Monthly operational reports with respect to Facility activities, including plant performance, capacity factor, availability, weather and generation data, and in each case confirming that applicable contractual requirements have been met; and

(iii) An update as to compliance of the Facility with NERC and FERC rules and regulations.

Section 5.5 Initial Performance Test. Prior to the Delivery Commencement Date, Seller shall provide to Buyer the opportunity, at Buyer's sole expense and without interfering with Seller's activities at the Facility, to: (i) review and monitor the initial performance tests required to satisfy condition (b) in the definition of "Delivery Commencement," and Seller shall, or shall cause its contractor, to provide at least ten (10) Business Days prior notice to Buyer before any such test begins; provided that Buyer shall at all times comply with Seller's or the contractor's safety and security requirements when present at the Facility; and (ii) be present to witness such initial performance tests and review the results thereof; provided that Buyer shall at all times comply with Seller's or the contractor's safety and security requirements when present at the Facility.

Section 5.6 Greenhouse Gas Emissions Reporting Regulations. Seller shall register the Facility with the California Air Resources Board as located within the State of California for all Greenhouse Gas Emissions Reporting Obligations under the State of California Regulation for Mandatory Reporting of Greenhouse Gas Emissions. Notwithstanding the requirement that the Facility be located in California to make the Facility subject to the California Regulation for Mandatory Reporting of Greenhouse Gas Emissions, Seller shall voluntarily report all greenhouse gas emissions produced by the Facility pursuant to the California Regulation for Mandatory Reporting of Greenhouse Gas Emissions, at such time as the Facility emissions of carbon dioxide and/or methane meet or exceed 10,000 metric tons of carbon dioxide equivalent as defined in the California Regulation for Mandatory Reporting of Greenhouse Gas Emissions.

Section 5.7 Quality Assurance Program; Routine and Preventive Maintenance Services.

(a) Seller shall develop a written quality assurance policy ("*Quality Assurance Program*") in accordance with the requirements of Appendix H within sixty (60) days prior to the Delivery Commencement Date, and Seller shall cause all work performed on or in connection with the Facility to comply with said Quality Assurance Program.

(b) Seller shall perform routine and preventive maintenance services in accordance with manufacturers' instructions and Prudent Utility Practices, including:

(i) Conducting regular equipment inspections and recording any noncompliance with applicable standard specifications for the equipment, and reporting any noncompliance that materially and adversely affects the Facility's performance or is likely to materially and adversely affect the Facility's performance and any defective conditions or operational failures with respect to the equipment to Buyer;

(ii) Performing all required preventive maintenance, including meter calibration and testing, and scheduling and arranging for routine maintenance during operations and planned outages, and for maintenance that can be conducted during a Forced Outage or an Unscheduled Outage;

(iii) Conducting periodic maintenance to equipment in accordance with Prudent Utility Practices, and providing a report thereof to Buyer;

(iv) Conducting monthly quality assurance inspections of Facility plant and equipment and providing a report thereof to Buyer.

Section 5.8 No Liens. Except as otherwise permitted by this Agreement, the Facility shall be owned by Seller or Seller shall be the lessee of the Facility under a lease during the Agreement Term. Seller shall not sell or otherwise dispose of or create, incur, assume or permit to exist any Lien (other than Permitted Encumbrances) on any portion of the Facility without the prior written approval of Buyer.

Section 5.9 Seller Performance Security.

(a) As a condition to the occurrence of the Effective Date, Seller shall have furnished to Buyer one or more letters of credit issued by Qualified Issuers in the form attached hereto as Appendix E, as such form may be modified with the consent of Buyer (not to be unreasonably withheld or delayed) to reflect the reasonable requests of the Qualified Issuer, in the aggregate amount of three million nine hundred thousand dollars (\$3,900,000), which shall secure all of Seller's obligations to pay liquidated damages under Section 3.7(b) ("*Project Commencement Security*"). From and after the Effective Date, Seller shall maintain such Project Commencement Security until Seller posts the Delivery Term Security pursuant to Section 5.9(b) below, or until Buyer is required to return the Project Commencement Security under Section 5.9(c) below.

(b) As a condition to the achievement of Delivery Commencement, Seller shall have furnished to Buyer one or more letters of credit issued by Qualified Issuers, or guarantees from a Qualified Guarantor, or a combination of both, in the form attached hereto as Appendix G, as such form may be modified with the consent of Buyer (not to be unreasonably withheld or delayed) to reflect the reasonable requests of the Qualified Guarantor, as applicable, and in the aggregate amount of sixteen million seven hundred forty thousand dollars (\$16,740,000), which shall guarantee Seller's obligations under this Agreement, following the Delivery Commencement Date ("*Delivery Term Security*"); provided that Seller may elect to apply the Project Commencement Security toward the Delivery Term Security. From and after the Delivery Commencement Date, Seller shall maintain such Delivery Term Security until the end of the Agreement Term or until Buyer is required to return the Delivery Term Security to Seller as set forth in Section 5.9(d) below, provided that Seller may, from time to time, replace a guarantee with a letter of credit so long as such replacement letter of credit shall comply with the applicable provisions of this Agreement and the aggregate amount required above is maintained.

(c) If after the Delivery Commencement Date no damages or other amounts are due and owing to Buyer under this Agreement, or if this Agreement terminates prior to the occurrence of the Delivery Commencement Date while the Project Commencement Security is outstanding, then Seller shall no longer be required to maintain the Project Commencement Security, and Buyer shall return to Seller the Project Commencement Security, less any amounts drawn by Buyer as permitted under the terms of this Agreement (including under Section 2.4(h)). The Project Commencement Security (or portion thereof) due to Seller shall be returned to Seller

within three (3) Business Days after (i) Seller's provision of the Delivery Term Security, unless Seller elects to apply the Project Commencement Security toward the Delivery Term Security, or (ii) the effective date of such earlier termination when damages are no longer due and owing to Buyer (including under Section 2.4(h)).

(d) Buyer shall return the unused portion of Delivery Term Security, if any, to Seller promptly after the following have occurred: (i) the Agreement Term has ended, and (ii) all obligations of Seller arising under this Agreement are paid (whether directly or indirectly such as through set-off or netting) or performed in full.

(e) Seller shall notify Buyer of the occurrence of a Downgrade Event within five (5) Business Days after obtaining knowledge of the occurrence of such event. If at any time there shall occur a Downgrade Event, then Buyer may require that Seller replace the Performance Security from the Person that has suffered the Downgrade Event within ten (10) Business Days after notice from Buyer to Seller requesting such replacement Performance Security. In the event that such replacement Performance Security is not so provided by Seller, Buyer shall have the right to demand payment of the full amount of such Performance Security and retain such amount in order to secure Seller's obligations under this Section 5.9 and other applicable provisions of this Agreement; provided that if and to the extent such amount shall be in excess of the amounts of such obligations of Seller, Buyer shall refund the excess to Seller promptly after all such obligations of Seller under this Agreement shall have been paid or performed.

(f) If any Performance Security is in the form of a letter of credit, then Seller shall either provide, or cause to be provided, a replacement letter of credit (from a Qualified Issuer) in the required amount set forth in this Section 5.9 within ten (10) Business Days after the earlier of the date that Seller becomes aware, or Buyer notifies Seller of the occurrence of any one of the following events:

(i) the failure of the issuer of the letter of credit to renew such letter of credit thirty (30) Business Days prior to the expiration of such letter of credit;

(ii) the failure of the issuer of the letter of credit to immediately honor Buyer's properly documented request to draw on such letter of credit; or

(iii) the issuer of the letter of credit becomes Bankrupt.

(g) If any Performance Security is in the form of a guarantee, then Seller shall either provide, or cause to be provided, a replacement letter of credit or guarantee (from a Qualified Issuer or Qualified Guarantor, as applicable) in the required amount set forth in this Section 5.9 within ten (10) Business Days after the earlier of the date that Seller becomes aware, or Buyer notifies Seller, of the occurrence of any one of the following events:

(i) the failure of the guarantor to make a payment thereunder immediately following Buyer's properly documented claim made pursuant to the guarantee in accordance with its terms;

(ii) any representation or warranty made by the guarantor in connection with this Agreement is false or misleading in any material respect when made or when deemed made or repeated;

(iii) the guarantor becomes Bankrupt;

(iv) the guarantee fails to be in full force and effect in accordance with the terms of this Agreement prior to the satisfaction of all obligations of Seller under this Agreement; or

(v) the guarantor repudiates, disaffirms, disclaims, or rejects, in whole or in part, or challenges the validity of, its guarantee.

(h) In the event that a replacement letter of credit is not delivered in accordance with Section 5.9(f) or a replacement guarantee or letter of credit is not delivered in accordance with Section 5.9(g), Buyer shall have the right to demand payment of the full amount of the letter of credit or the guarantee, as applicable, and retain such amount in order to secure Seller's obligations under this Section 5.9 and other applicable provisions of this Agreement; provided that, if and to the extent such amount shall be in excess of the amounts of such obligations of Seller, Buyer shall refund the excess to Seller promptly after all such obligations of Seller under this Agreement shall have been paid or performed.

(i) Seller shall, from time to time as requested by Buyer, execute, acknowledge, record, register, deliver and file all such notices, statements, instruments, and other documents as may be necessary or advisable to render fully valid, perfected, and enforceable under all Requirements of Law the Performance Security and the rights, Liens, and priorities of Buyer with respect to such Performance Security.

(j) Except as otherwise provided in this Agreement, the Performance Security: (i) constitutes security for, but is not a limitation of, Seller's obligations under this Agreement, and (ii) shall not be Buyer's exclusive remedy against Seller for Seller's failure to perform in accordance with this Agreement.

ARTICLE VI PURCHASE AND SALE OF POWER

Section 6.1 Purchases by Buyer.

(a) If the Interim Delivery Period does not commence as of November 30, 2017, then commencing on November 30, 2017 and continuing until the commencement of the Interim Delivery Period, Seller shall sell and deliver, and Buyer shall purchase and receive, all Delivered Energy for the price set forth in Section 1 of Appendix A.

(b) During the Interim Delivery Period and on and after the Delivery Commencement Date and continuing for the Delivery Term, Seller shall sell and deliver, and Buyer shall purchase and receive, all Delivered Energy and Replacement Energy for the price set forth in Section 2 of Appendix A; provided that, in no event shall Buyer be obligated to purchase or receive Delivered Energy, together with any Replacement Energy, in excess of the Maximum

Generation unless Buyer shall by notice given to Seller elect to purchase any such Energy in excess of Maximum Generation.

Section 6.2 Seller's Failure. Except as provided in Article IX, and except for Energy provided by the Transmission Provider pursuant to its tariff in connection with the Transmission Services that is both EPS Compliant and RPS Compliant, in no event shall Seller have the right to procure energy from sources other than the Facility for sale and delivery pursuant to this Agreement. Unless there shall be a Force Majeure or a Buyer's failure to perform its obligations under this Agreement, if, on or after the Delivery Commencement Date, Seller sells any part of any Facility Energy and associated Environmental Attributes required to be delivered by Seller under this Article VI or Article VIII to a third party, Seller shall pay Buyer, within thirty (30) days of Buyer's written request therefor an amount for each MWh of such deficiency equal to the positive difference, if any, obtained by subtracting the price per MWh that would have been payable by Buyer for the Facility Energy and Environmental Attributes not delivered from the Replacement Price. Buyer shall provide Seller prompt written notice of the Replacement Price together with back-up documentation.

Section 6.3 Buyer's Failure. Unless excused by Force Majeure or Seller's failure to perform its obligations under this Agreement, if Buyer fails to receive at the respective Points of Delivery or Alternate Point of Delivery (if applicable) all or any part of any Facility Energy required to be received by Buyer under this Article VI, Article VIII, or Article IX, Buyer shall pay Seller, within thirty (30) days of Seller's written request therefor, an amount for each MWh of such deficiency equal to the positive difference, if any, obtained by subtracting the Sales Price from the price per MWh that would have been payable by Buyer for the Energy not received by Seller. "*Sales Price*" means the price at which Seller, acting in a commercially reasonable manner, resells the Energy or, absent a resale, the market price for the quantity of Energy not received by the Buyer (adjusted for transmission difference, if any). Seller shall provide Buyer prompt written notice of the Sales Price together with back-up documentation.

Section 6.4 Sales to Third Parties. Seller may sell to Persons other than Buyer (i) any Facility Energy, Replacement Energy, Capacity Rights, and associated Environmental Attributes that Seller is required to deliver to Buyer, but which Buyer does not accept due to Force Majeure declared by Buyer or curtailment pursuant to Section 7.4, or (ii) any Facility Energy in excess of Maximum Generation not purchased by Buyer as provided in Section 6.1(b). Except as provided above in this Section 6.4, Seller shall not sell or otherwise transfer any Facility Energy, Replacement Energy, Capacity Rights, or associated Environmental Attributes to any Person other than Buyer during the Delivery Term. Notwithstanding anything to the contrary in this Section 6.4, Seller may sell to Persons other than Buyer any Facility Energy, Replacement Energy, Capacity Rights, and associated Environmental Attributes that Seller is unable to deliver to Buyer due to Force Majeure declared by Buyer or Seller.

Section 6.5 Nature of Remedies. The damages that Buyer would incur as a result of Seller's failure as described in Section 6.2 or that Seller would incur as a result of Buyer's failure as described in Section 6.3 would be difficult or impossible to predict with certainty, and it is impractical and difficult to assess actual damages in those circumstances, but the liquidated damages set forth in Section 6.2 and Section 6.3 are fair and reasonable calculations of such damages. The remedy set forth in Section 6.2 is in addition to, and not in lieu of, any other right

or remedy of Buyer under this Agreement for failure of Seller to sell and deliver Energy and Environmental Attributes as and when required by this Agreement. The remedy set forth in Section 6.3 is in addition to any other right or remedy of Seller for any failure by Buyer to receive Energy as and when required by this Agreement.

ARTICLE VII TRANSMISSION AND SCHEDULING; TITLE AND RISK OF LOSS

Section 7.1 In General. Seller shall arrange and be responsible for any Transmission Services required to deliver Facility Energy to the respective Points of Delivery or Alternate Point of Delivery (if applicable), and shall Schedule or arrange for Scheduling services with its Transmission Providers to so deliver the Facility Energy to the respective Points of Delivery or Alternate Point of Delivery (if applicable). Buyer shall arrange and be responsible for Transmission Services at and from the Points of Delivery or Alternate Point of Delivery (if applicable), and shall Schedule or arrange for Scheduling services with its Transmission Providers to receive Facility Energy at the Points of Delivery or Alternate Point of Delivery (if applicable), including, in each case, any services arranged by Seller required to import Energy from facilities owned or controlled by any Transmission Provider on the Seller's side of each of the Points of Delivery or Alternate Point of Delivery (if applicable) for delivery to the facilities owned or controlled by any Transmission Providers on Buyer's side of such Point of Delivery. This includes creation by Seller and, as needed, revisions of electronic tags ("*e-tags*") associated with such Energy schedules. Seller shall provide additional information as reasonably requested by Buyer on e-tags or as reasonably necessary to facilitate Buyer's members' reporting requirements under RPS Law. Each Party shall designate an authorized Scheduler to effect the Scheduling of Facility Energy.

Section 7.2 Scheduling of Energy. The Authorized Representatives of the Buyer and Seller shall, as soon as reasonably practicable following the Effective Date but before the Delivery Commencement Date, mutually develop forecasting and Scheduling procedures which may be modified, from time to time, by written agreement of both Authorized Representatives in order that the Energy delivered to the respective Points of Delivery or Alternate Point of Delivery if elected by Buyer shall be RPS Compliant and EPS Compliant as provided under Section 8.6. Such procedures shall otherwise comply with all applicable requirements, including those of the Transmission Providers, CAISO, WECC, and any balancing authority involved in the scheduling of energy under this Agreement. This may include, but not be limited to, dynamic adjustments to e-tags in order to reflect the previous hour's metered Energy output. The procedures shall be developed so as to maximize the amount of Energy that is RPS Compliant and EPS Compliant that may be delivered by Seller under this Agreement. The Authorized Representatives shall promptly cooperate with respect to any reasonably necessary and appropriate modifications to such forecasting or scheduling procedures. The Parties acknowledge that, because Scheduling takes place in advance of generation, there may be deviations between the amount of Energy generated by the Facility and the amount of Energy Scheduled by Buyer and Seller for delivery at the respective Points of Delivery or Alternate Point of Delivery (if applicable). To the extent that such deviations occur in the ordinary course of Scheduling under the agreed upon procedures and, as a result, Energy that is not RPS Compliant and EPS Compliant is delivered pursuant to the Transmission Provider's tariff to Buyer at either of the Points of Delivery or Alternate Point of Delivery (if applicable), Buyer

shall accept such Energy and pay Seller the average of the on-peak and off-peak Energy prices, weighted by the number of hours in the on-peak and off-peak periods, during the month in which the deviations occurred for Energy that is not from a eligible renewable energy resource under the RPS Law, as listed in the Intercontinental Exchange Palo Verde Electricity Price Index or its successor index, or any other index mutually agreed by the Parties.

(a) Seller or Seller's designee shall be responsible for Scheduling the forecast of Delivered Energy and Replacement Energy to the respective Points of Delivery or Alternate Point of Delivery (if applicable) during the Delivery Term in accordance with the Scheduling procedures agreed upon by the Parties, which may be updated from time to time. Seller shall submit schedules, and any updates to such schedules, to Buyer based on the most current forecast of Delivered Energy and Replacement Energy. Buyer or Buyer's designee shall be responsible for Scheduling the forecast of Delivered Energy and Replacement Energy at and from the respective Points of Delivery or Alternate Point of Delivery (if applicable) during the Delivery Term in accordance with the Scheduling procedures agreed upon by the Parties, which may be updated from time to time. Buyer shall also fulfill the contractual, metering, and interconnection requirements so as to be able to accept Delivered Energy and Replacement Energy at the respective Points of Delivery or Alternate Point of Delivery if elected by Buyer. All Scheduling shall be performed in accordance with the applicable NERC and WECC operating policies, criteria, and any other applicable guidelines. Seller shall also fulfill the contractual, metering, and interconnection requirements so as to be able to deliver Delivered Energy and Replacement Energy to the respective Points of Delivery or Alternate Point of Delivery (if applicable).

(b) At least forty-five (45) days before the anticipated Delivery Commencement Date and no later than forty-five (45) days before the beginning of each Contract Year, Seller or Seller's designee shall provide, or cause to be provided, a non-binding forecast of each month's average-day deliveries of Delivered Energy and Replacement Energy, by hour, for the following eighteen (18) months.

(c) At least ten (10) days before the anticipated Delivery Commencement Date and no later than ten (10) Business Days before the beginning of each month during the Delivery Term, Seller or Seller's designee shall provide, or cause to be provided, a non-binding forecast of each day's average deliveries of Delivered Energy and Replacement Energy, by hour, for the following month.

(d) By 4:30 a.m. on the Business Day immediately preceding each day of delivery of Delivered Energy during the Delivery Term, Seller or Seller's designee shall cause the Seller's Scheduler to provide Buyer with a copy of a non-binding hourly forecast of deliveries of Delivered Energy and Replacement Energy for each hour of the immediately succeeding day. A forecast provided a day prior to any non-Business Day shall include forecasts for the immediate day, each succeeding non-Business Day and the next Business Day. Seller shall provide Buyer with a copy of any updates to such forecast indicating a change in forecasted Delivered Energy and Replacement Energy from the then current forecast.

(e) By 12:00 p.m. on the normal Business Day prior to each pre-scheduling day as identified in the WECC pre-scheduling calendar, Seller shall provide Buyer, Buyer's real time operators, and Buyer's Scheduler, via email, day-ahead pre-schedules for each of the

succeeding twenty-four (24) hours in the form of an excel spreadsheet. In order to allow Buyer to make schedule changes in conformity with the California Independent System Operator Scheduling deadline, Seller shall notify Buyer via telephone of any hourly changes due to a change in unit availability or an outage no later than one-hundred five (105) minutes prior to the start of such Scheduling hour.

(f) Throughout the Delivery Term, Seller shall provide to Buyer the following data on a real-time basis:

(i) Read-only access to megawatt capacity and any other facility availability information; Read-only access to energy output information collected by the supervisory control and data acquisition ("*SCADA*") system for the Facility; provided that if Buyer is unable to access the Facility's SCADA system, then upon written request from Buyer, Seller shall provide energy output information to Buyer in four (4)-second intervals in the form of a flat file to Buyer through a secure file transport protocol (FTP) system with an e-mail back-up for each flat file submittal; and Read-only access to all electricity, production, and consumption data from the Electric Metering Devices.

(g) The Parties shall facilitate the discussions to pursue a Balancing Authority Operating Agreement ("*BAOA*"), to be entered into diligently by the appropriate parties, that addresses dynamic scheduling of Energy whereby the Energy from the Facility shall be dynamically scheduled to the respective Points of Delivery or Alternate Point of Delivery, if applicable. In the event that the BAOA becomes effective and the Facility uses dynamic scheduling, a SCADA bridge shall be provided between the Facility and the IID, LADWP and any other Buyer participant or participants (with respect to the Facility) SCADA. In such an event, Seller shall bear the cost of installing the SCADA bridge at the Site of the Facility, while Buyer shall bear the cost of installing the IID, LADWP and any other Buyer participant or participants (with respect to the Facility) SCADA. The Parties agree to negotiate in good faith the respective shares of other costs of dynamic scheduling, including, but not limited to, obtaining and retaining communication media between the aforementioned SCADA bridge and the IID, LADWP and any other Buyer participant or participants (with respect to the Facility) SCADA, and providing the dynamic schedule to the Transmission Provider or other entities requiring access to the dynamic schedule.

Section 7.3 Costs. Seller shall be responsible for any costs or charges imposed on or associated with the delivery of Facility Energy to the respective Points of Delivery or Alternate Point of Delivery (if applicable), including charges related to control area services, export capability fees, inadvertent energy flows, transmission losses, and the transmission of Facility Energy. Buyer shall be responsible for any costs or charges imposed on or associated with the delivery of Facility Energy at and from the respective Points of Delivery or Alternate Point of Delivery (if applicable), including charges related to control area services, inadvertent energy flows, transmission losses, and the transmission of Facility Energy.

Section 7.4 Curtailment Required by Buyer. Seller shall reduce deliveries of Energy for curtailments required by Buyer due to a System Emergency not resulting from the fault or negligence of Buyer. During the Delivery Term, the Parties shall estimate the amount of curtailed Energy for each such curtailment event by multiplying (a) the arithmetic average of the

Facility's metered output rate, in MW, immediately before and after such curtailment event, by (b) the duration of such curtailment event. The Parties shall use the curtailed Energy estimate solely for the purpose of determining Seller's compliance towards Guaranteed Generation, and not for purposes of calculating any payments due from Buyer to Seller. In the event that Buyer is unable, for any reason (including as a result of transmission constraints downstream of the applicable Point of Delivery that do not constitute a System Emergency), to utilize Facility Energy, Buyer may request that Seller attempt to remarket such Facility Energy (together with all Environmental Attributes) to third parties by written notice to Seller. Buyer shall make no more than three (3) such requests in any calendar year. Upon any such request, Seller shall use good faith efforts to sell the Facility Energy (together with all Environmental Attributes) to one or more third parties in amounts and for the duration specified by Buyer and, if successful (i) Buyer shall pay Seller at the prices set forth in Appendix A as if such Facility Energy were Delivered Energy and (ii) Seller shall remit the proceeds of such third party sales (net of any incremental costs to Seller associated with such sales) to Buyer, whether such proceeds are greater or less than the amounts paid by Buyer to Seller for such Facility Energy. For the avoidance of doubt, Seller shall not be under any obligation to reduce deliveries of Energy under this Agreement, and Buyer shall be obligated to take delivery of and pay for all Energy that can be delivered by Seller to the respective Points of Delivery or Alternate Point of Delivery (if applicable), except to the extent that such Energy exceeds the Maximum Generation, or in the event of System Emergency, Force Majeure or when Seller actually remarkets Facility Energy as provided above. Facility Energy sold by Seller to third parties as provided for above shall be considered Delivered Energy delivered to Buyer for the purposes of the Guaranteed Generation.

Section 7.5 Curtailment of Seller's Transmission Services. In the event of the curtailment or other interruption of the Transmission Services utilized pursuant to the Agreement that prevents Seller from delivering Facility Energy to a Point of Delivery or Alternate Point of Delivery (if applicable), Seller may upon furnishing notice as soon as practicable to Buyer obtain alternate Transmission Services complying with the requirements of the Agreement utilizing other Transmission System or Systems for delivery of the Facility Energy to such Point of Delivery or Alternate Point of Delivery (if applicable) during the period of such curtailment or other interruption of such Transmission Services. Seller shall provide Buyer with advance notice of the end of the period of such curtailment or interruption and the restoration of the Transmission Services pursuant to the Agreement for the delivery of the Facility Energy to such Point of Delivery or Alternate Point of Delivery (if applicable). This Section 7.5 shall (i) not obligate Seller to utilize alternate Transmission Services and (ii) not preclude Seller from claiming Force Majeure under Section 14.6, unless such alternate Transmission Services are available at costs that do not exceed eight dollars per MWh (\$8/MWh), or such alternate Transmission Services shall be available at costs that exceed eight dollars per MWh (\$8/MWh) and Buyer agrees to pay the amount of such excess. For the avoidance of doubt, if there is a curtailment under Section 7.4 or Section 7.5 that affects Facility Energy delivered to one, but not both, Points of Delivery or Alternate Point of Delivery (if applicable), then for the duration of such curtailment event Seller shall deliver Facility Energy to the respective Points of Delivery or Alternate Point of Delivery (if applicable) in proportionate amounts that take into account such curtailment of Facility Energy deliveries at such Point of Delivery affected by such curtailment resulting in a deviation from the applicable Facility Energy Delivery Shares during the duration of such curtailment.

Section 7.6 Title; Risk of Loss. As between the Parties, Seller shall be deemed to be in exclusive control (and responsible for any damages or injury caused thereby) of Facility Energy prior to a Point of Delivery, and Buyer shall be deemed to be in exclusive control (and responsible for any damages or injury caused thereby) of Facility Energy at and from such Point of Delivery. Seller shall deliver all Facility Energy, Capacity Rights, and Environmental Attributes to Buyer free and clear of all Liens created by any Person other than Buyer. Title to and risk of loss as to all Facility Energy, Capacity Rights, and Environmental Attributes shall pass from Seller to Buyer at the respective Points of Delivery or Alternate Point of Delivery (if applicable).

ARTICLE VIII ENVIRONMENTAL ATTRIBUTES; EPS AND RPS COMPLIANCE

Section 8.1 Transfer of Environmental Attributes. For and in consideration of Buyer entering into this Agreement, and in addition to the agreement by Buyer and Seller to purchase and sell Facility Energy on the terms and conditions set forth herein, Seller shall transfer to Buyer, and Buyer shall receive from Seller, all right, title, and interest in and to all Environmental Attributes, whether now existing or acquired by Seller or that hereafter come into existence or are acquired by Seller during the Delivery Term, for all Facility Energy and Replacement Energy. Environmental Attributes that are in, or that shall come into, existence with respect to Energy generated by the Facility that serves Parasitic Load shall be transferred by Seller to and received by Buyer. Seller agrees to transfer and make such Environmental Attributes available to Buyer immediately to the fullest extent allowed by applicable law upon Seller's production or acquisition of the Environmental Attributes. Seller shall not assign, transfer, convey, encumber, sell or otherwise dispose of all or any portion of such Environmental Attributes to any Person other than Buyer or attempt to do any of the foregoing with respect to any of the Environmental Attributes. The consideration for the transfer of Environmental Attributes is contained within the relevant prices for Delivered Energy under Articles VI and IX and Appendix A.

Section 8.2 Reporting of Ownership of Environmental Attributes. During the Delivery Term, Seller shall not report to any Person that the Environmental Attributes granted hereunder to Buyer belong to any Person other than Buyer, and Buyer may report under any program that such Environmental Attributes purchased hereunder belong to it.

Section 8.3 Environmental Attributes. Upon Buyer's request, Seller shall take all reasonable actions and execute all documents or instruments as are reasonable and necessary under applicable law, bilateral arrangements or other voluntary Environmental Attribute programs of any kind, as applicable, to maximize the attribution, accrual, realization, generation, production, recognition and validation of Environmental Attributes throughout the Delivery Term.

Section 8.4 Use of Accounting System to Transfer Environmental Attributes. In furtherance and not in limitation of Section 8.3, Seller shall use WREGIS or any successor system to evidence the transfer of any Environmental Attributes considered RECs under applicable law or any voluntary program ("*WREGIS Certificates*") associated with Facility Energy or Replacement Energy in accordance with WREGIS reporting protocols and shall

register the Facility with WREGIS. After the Facility is registered with WREGIS, at Buyer's option, Seller shall (i) transfer WREGIS Certificates using the Forward Certificate Transfer method, as described in WREGIS Operating Rules, from Seller's WREGIS account to up to three WREGIS accounts, as designated by Buyer, or (ii) retire said WREGIS Certificates into Seller's WREGIS Retirement sub-account on behalf of Seller's requirements (if any); provided, however, that Buyer shall initially select to use either option (i) or (ii) thirty (30) days prior to Seller's delivery of any Facility Energy to either of the Points of Delivery or Alternate Point of Delivery (if applicable), and, provided further, if option (i) is selected, Buyer may change to option (ii) at the beginning of any calendar year during the Delivery Term upon thirty (30) days advance written notice. If option (ii) is selected, then Buyer shall provide Seller the number and vintage of MWh of WREGIS Certificates to be retired by providing written notice to Seller not later than thirty (30) days prior to the desired retirement date. Seller shall be responsible for the WREGIS expenses associated with registering the Facility, maintaining its account, WREGIS Certificate issuance fees, and transferring WREGIS Certificates to Buyer or any other designees, and Buyer shall be responsible for the WREGIS expenses associated with maintaining its account, or the accounts of its designees, if any, and subsequent transferring or retiring of WREGIS Certificates, or Seller's fees for the retirement of WREGIS Certificates on behalf of Buyer. Forward Certificate Transfers shall occur monthly based on the certificate creation timeline established by the WREGIS Operating Rules. Seller shall be responsible for, at its expense, validating and disputing data with WREGIS prior to WREGIS Certificate creation each month. In the event that WREGIS is not in operation, or WREGIS does not track Seller's transfer of WREGIS Certificates to Buyer or its designees for purposes of any REC's attributed, accrued, realized, generated, produced, recognized or validated relative to the Energy from the Facility or Replacement Energy, or Buyer chooses not to use WREGIS for any reason, Seller shall document the production and transfer of REC's under this Agreement by delivering to Buyer an attestation for the REC's produced by the Facility, or Replacement Energy, measured in whole MWh, or by such other method as Buyer shall designate. Buyer shall take all necessary actions to facilitate the transfer or retirement of Environmental Attributes as provided above, including accepting any transfer requests made by Seller through WREGIS in accordance with the foregoing.

Section 8.5 Further Assurances. Regardless of whether Seller and Buyer use WREGIS or any successor system, Seller shall document the production of Environmental Attributes by delivering with each invoice to Buyer an attestation for Environmental Attributes (i) produced by the Facility or (ii) included with Replacement Energy for the preceding month. The form of attestation is set forth as Appendix D. At Buyer's request, the Parties shall execute all such documents and instruments and take such other action in order to effect the transfer of the Environmental Attributes specified in this Agreement to Buyer's Members and to maximize the attribution, accrual, realization, generation, production, recognition and validation of Environmental Attributes throughout the Delivery Term as Buyer may reasonably request. In the event of the promulgation of a scheme involving Environmental Attributes administered by CAMD, upon notification by CAMD that any transfers contemplated by this Agreement shall not be recorded, the Parties shall promptly cooperate in taking all reasonable actions necessary so that such transfer can be recorded. Each Party shall promptly give the other Party copies of all documents it submits to CAMD to effectuate any transfers.

Section 8.6 RPS and EPS Compliance.

(a) Seller warrants and guarantees that, upon the Effective Date and at all times thereafter until the expiration or earlier termination of the Agreement Term, the Facility shall be CEC Certified and the Energy that is delivered to Buyer at each of the Points of Delivery or Alternate Point of Delivery, if applicable, (including the Facility Energy and the associated Environmental Attributes) shall be both RPS Compliant and EPS Compliant, provided, however, if and to the extent a Change in Law occurs during such period that causes the Facility, the Facility Energy or the associated Environmental Attributes to no longer be RPS Compliant and EPS Compliant, then it shall not be an Event of Default if following Delivery Commencement Seller uses commercially reasonable efforts to comply with such Change in Law. In the event of such Change in Law resulting in partial or total loss of compliance, Buyer shall be entitled to retain from each payment to be made to Seller under Section 6.1 a portion therefrom equal to the positive difference between (i) the price of the Delivered Energy pursuant to Section 6.1 and (ii) the average of the on-peak and off-peak Energy prices, weighted by the number of hours in the on-peak and off-peak periods, during each month that the Facility (including the Facility Energy and the associated Environmental Attributes) is not RPS Compliant and EPS Compliant, as listed in the Intercontinental Exchange Palo Verde Electricity Price Index or its successor index, or any other index mutually agreed by the Parties; provided that in no event during such period shall Buyer be obligated to pay Seller an amount for Facility Energy that is greater than the Contract Price. Buyer shall release such retained amount, which shall be calculated without interest of any kind, within forty-five (45) days following the receipt of evidence from Seller that the Facility has become RPS Compliant and EPS Compliant, but only if and to the extent that the Environmental Attributes generated during the period of non-compliance can be attributed towards Buyer's requirements under the RPS Law and the requirements of California Public Utilities Code Section 399.16(b)(1). From time to time and at any time requested by Buyer, Seller will furnish to Buyer or Governmental Authorities or other Persons designated by Buyer, all certificates and other documentation reasonably requested by Buyer in order to demonstrate that the Facility, the Facility Energy, and the associated Environmental Attributes are RPS Compliant and EPS Compliant. However, if the Facility remains unable to be RPS Compliant and EPS Compliant as a result of the Change in Law after six (6) months following such Change in Law, either Party may terminate this Agreement upon thirty (30) days advance written notice to the other; provided that such six (6) month period shall be extended for a period that does not exceed an additional six (6) months if Seller shall furnish to Buyer a written opinion by an independent consultant selected by Seller and acceptable to Buyer (in its reasonable discretion) to the effect that Seller, using its reasonable commercial efforts, is capable of making the Facility (including the Facility Energy and associated Environmental Attributes) RPS Compliant and EPS Compliant within such additional period.

(b) The Parties acknowledge that WREGIS does not currently permit Seller to obtain WREGIS Certificates for an amount of Energy equal to the Parasitic Load, whether or not Energy generated by the Facility, or energy from another source, serves such Parasitic Load. In the event that (i) WREGIS changes the WREGIS Operating Rules to permit Seller to obtain WREGIS Certificates for Energy generated by the Facility that would serve some or all of the Parasitic Load in the absence of Energy acquired by Seller to serve such Parasitic Load from a source other than the Facility, (ii) Seller elects, in its sole discretion, to acquire Energy from a source other than the Facility to serve some or all of its Parasitic Load, and (iii) such Energy

generated by the Facility that would have served the Parasitic Load in the absence of the acquisition of Energy by Seller as described in (ii) above is RPS Compliant and EPS Compliant, such amounts of Energy generated by the Facility shall for the purposes of this Agreement constitute Facility Energy and shall be sold to Buyer in accordance with the provisions of this Agreement.

ARTICLE IX MAKEUP OF SHORTFALL ENERGY

Section 9.1 Makeup of Shortfall. During the Interim Delivery Period and each Contract Year, all Delivered Energy shall first be applied to the determination of whether Seller has delivered the Guaranteed Generation. Except to the extent caused by a Force Majeure (but subject to the provisions of Section 14.6(a) providing that the obligations of Seller with respect to the delivery of Shortfall Energy or Replacement Energy under this Article IX not delivered due to Force Majeure are not excused, but such required delivery shall be extended for the duration of the Force Majeure), or except for curtailment under Section 7.4 or Buyer's failure to accept Facility Energy or Replacement Energy in accordance with this Agreement, if Seller fails during the Interim Delivery Period or any Contract Year to deliver Delivered Energy in an amount equal to the Guaranteed Generation, then Seller shall make up that shortfall of Delivered Energy ("*Shortfall Energy*") in the next Contract Year or Contract Years in accordance with this Article IX.

Section 9.2 Replacement Energy. The amount of Shortfall Energy shall first be reduced by the amount of any Excess Energy delivered during the applicable Shortfall Makeup Period. To the extent there remains Shortfall Energy after the end of the applicable Shortfall Makeup Period, Seller shall, within ninety (90) days following the end of such Shortfall Makeup Period, provide Buyer with that quantity of Replacement Energy that is sufficient to make up the remaining Shortfall Energy in full. The Replacement Energy shall be delivered to Buyer at each of the Points of Delivery or Alternate Point of Delivery (if applicable) in the same proportion as the remaining Shortfall Energy was accrued at such respective Points of Delivery or Alternate Point of Delivery (if applicable) and on a delivery schedule consistent with the Facility's historic percentage of on-peak and off-peak Delivered Energy. As employed in this Agreement, "*Replacement Energy*" means Energy produced by a facility other than the Facility that, at the time delivered to Buyer, is (A) both RPS Compliant and EPS Compliant, (B) qualifies under California Public Utilities Code Section 399.16(b)(1), and (C) includes Environmental Attributes that have the same value and the same or comparable vintage with respect to the timeframe for retirement of such Environmental Attributes, if any, as the Environmental Attributes that would have been generated by the Facility during the period for which the Replacement Energy is being provided.

Section 9.3 Shortfall Liquidated Damages. To the extent Seller is unable to procure sufficient Replacement Energy to make up any remaining Shortfall Energy at the end of such ninety (90) day period following the applicable Shortfall Makeup Period, then Seller shall pay Buyer, as liquidated damages, an amount for each MWh of remaining Shortfall Energy equal to the positive difference, if any, obtained by subtracting the amount that Buyer would have paid had Facility Energy equal to the amount of Shortfall Energy been delivered to the respective Points of Delivery or Alternate Point of Delivery if elected by Buyer from the Replacement Price

("Shortfall Liquidated Damages"). The Shortfall Liquidated Damages payable under this Section 9.3 shall be payable in lieu of actual damages, shall be guaranteed as to payment by the Delivery Term Security, and, notwithstanding any other provision of this Agreement, other than Buyer's remedies for a Default by Seller under Section 13.1(f), Shortfall Liquidated Damages shall be Buyer's sole remedy, and Seller's sole liability, for Seller's failure to deliver Facility Energy and the associated Environmental Attributes and Replacement Energy and the associated Environmental Attributes, as provided under Sections 9.1 and 9.2 above. The Parties acknowledge and agree that (i) the damages that Buyer would incur due to shortfalls in Delivered Energy would be difficult or impossible to predict with certainty, and (ii) it is impractical and difficult to assess actual damages in those circumstances and, therefore, Shortfall Liquidated Damages are a fair and reasonable calculation of such damages.

Section 9.4 Application of Shortfall Energy or Replacement Energy. In the event of Shortfall Energy in multiple Contract Years, any Excess Energy or Replacement Energy delivered by Seller shall be applied in priority to the earliest outstanding shortfalls hereunder until all shortfalls are satisfied.

ARTICLE X CAPACITY RIGHTS

Section 10.1 Purchase and Sale of Capacity Rights. For and in consideration of Buyer entering into this Agreement, and in addition to the agreement by Buyer and Seller to purchase and sell Facility Energy and Environmental Attributes on the terms and conditions set forth in this Agreement, Seller hereby transfers to Buyer, and Buyer hereby accepts from Seller, all of the Capacity Rights, subject to Section 6.4. The consideration for the transfer of Capacity Rights is contained within the relevant prices for Facility Energy. In no event shall Buyer have any obligation or liability whatsoever for any debt pertaining to the Facility by virtue of Buyer's ownership of the Capacity Rights or otherwise.

Section 10.2 Representation Regarding Ownership of Capacity Rights. Subject to Section 6.4: (i) Seller shall not assign, transfer, convey, encumber, sell or otherwise dispose of any of the Capacity Rights to any Person other than Buyer or attempt to do any of the foregoing with respect to any of the Capacity Rights; (ii) Seller shall not report to any Person that any of the Capacity Rights belong to any Person other than Buyer; and (iii) Buyer may, at its own risk and expense, report to any Person that the Capacity Rights belong to it.

Section 10.3 Further Assurances. Seller shall execute and deliver such documents and instruments and take such other action as Buyer may reasonably request to effect recognition and transfer of the Capacity Rights to Buyer. Seller shall bear the costs associated therewith.

ARTICLE XI BILLING; PAYMENT; AUDITS; METERING; ATTESTATIONS; POLICIES

Section 11.1 Billing and Payment. Billing and payment for all Delivered Energy shall be as set forth in this Article XI.

Section 11.2 Calculation of Energy Delivered; Invoices and Payment.

(a) **Delivered Quantity.** For each month during the Agreement Term, commencing with the first month in which Energy is delivered by Seller to and received by Buyer under this Agreement, Seller shall calculate the amount of Energy so delivered and received during such month as determined (i) in the case of Delivered Energy, from recordings produced by the Electric Metering Devices maintained pursuant to Section 11.6, at or near midnight on the last day of the month in question, and (ii) in the case of Replacement Energy, the amount in MWh actually supplied by Seller pursuant to Section 9.2, as measured by metering equipment approved by Buyer in its reasonable discretion.

(b) **Invoice.** Not later than the tenth (10th) day of each month, commencing with the month next following the month in which Energy is first delivered by Seller and received by Buyer under this Agreement, Seller shall deliver to Buyer a proper invoice showing the amount of Energy delivered by Seller and received by Buyer during the preceding month (with a separate allocation for any Replacement Energy), Seller's computation of the amount due Seller in respect thereof for Delivered Energy and for Replacement Energy in accordance with Appendix A, and the amount of any credit or setoff to which Buyer is entitled for the preceding month pursuant to Section 11.8. Seller shall deliver to Buyer with each monthly invoice copies of the recordings and data from the Electric Metering Devices that support the calculations of Energy and Environmental Attributes included in the invoice for such month. Monthly invoices shall be sent to the address set forth in Appendix C or such other address as Buyer may provide to Seller.

(i) Monthly invoices shall contain a statement that the representations and warranties set forth in this Agreement remain true and correct as of the date of the invoice and that there exists no Default by Seller or any event that, after notice or with the passage of time or both, would constitute a Default, or, if the foregoing statement cannot be made, Seller shall list, in detail, for each representation or warranty in this Agreement that is no longer true and correct or for each Default or potential Default, the nature of the condition or event, the period during which it has existed and the action which Seller has taken, is taking, or proposes to take with respect to each such condition or event.

(ii) Seller shall deliver to Buyer attestations of Environmental Attribute pursuant to Section 8.5 concurrently with the monthly invoices sent pursuant to this Section 11.2.

(iii) Buyer shall not be required to make invoice payments if the invoice is received more than six (6) months after the billing period. Each invoice shall show the title of the Agreement and, if applicable, the Agreement number, the name, address and identifying information of Seller and the identification of material, equipment, or services covered by the invoices.

(c) **Payment.** Not later than the thirtieth (30th) day after receipt by Buyer of Seller's monthly invoice (or the next succeeding Business Day, if such thirtieth (30th) day is not a Business Day), Buyer shall pay to Seller, by wire transfer of immediately available funds to an

account specified by Seller or by any other means agreed to by the Parties from time to time, the amount set forth as due in such monthly invoice, subject to Section 11.3.

Section 11.3 Disputed Invoices. In the event any portion of any invoice is in dispute, the undisputed amount shall be paid when due. The Party disputing a payment shall promptly notify the other Party of the basis for the dispute, setting forth the details of such dispute in reasonable specificity. Disputes shall be discussed by the Authorized Representatives, who shall use reasonable efforts to amicably and promptly resolve the disputes, and any failure to agree shall be subject to resolution in accordance with Section 14.3. Upon resolution of any dispute, if all or part of the disputed amount is later determined to have been due, then the Party owing such payment or refund shall pay within ten (10) days after receipt of notice of such determination the amount determined to be due plus interest thereon at the Interest Rate from the due date until the date of payment. For purposes of this Section 11.3, "*Interest Rate*" shall mean the lesser of (i) two hundred (200) basis points above the per annum prime rate reported daily in The Wall Street Journal, or (ii) the maximum rate permitted by applicable Requirements of Law. Buyer may dispute an invoice at any time within three hundred sixty five (365) days after Buyer's receipt of the invoice, provided that Buyer provides Seller with a written notification of such dispute, setting forth the details of such dispute in reasonable specificity. If, within three hundred sixty five (365) days of Buyer's receipt of an invoice, Buyer does not notify Seller in writing of a dispute related to that invoice, Buyer shall be deemed to have waived any dispute related to that invoice and the invoice shall be considered correct and complete.

Section 11.4 Right of Setoff. In addition to any right now or hereafter granted under applicable law and not by way of limitation of any such rights, either Party shall have the right at any time or from time to time without notice to the other Party or to any other Person, any such notice being hereby expressly waived, to set off against any amount due from such Party to the other under this Agreement any amount due from the other Party to it under this Agreement, including any amounts due because of breach of this Agreement or any other obligation.

Section 11.5 Records and Audits. Seller shall maintain, and shall cause Seller's subcontractors and suppliers as applicable to maintain all records pertaining to the management of this Agreement, related subcontracts, and performance of services pursuant to this Agreement (including all billings, costs, metering, and Environmental Attributes), in their original form, including reports, documents, deliverables, employee time sheets, accounting procedures and practices, records of financial transactions, and other evidence, regardless of form (for example, machine readable media such as disk or tape, etc.) or type (for example, databases, applications software, database management software, or utilities), sufficient to properly reflect all services performed pursuant to this Agreement. If Seller or Seller's subcontractors or suppliers are required to submit cost or pricing data in connection with this Agreement, Seller shall maintain all records and documents necessary to permit adequate evaluation of the cost or pricing data submitted, along with the computations and projections used. Buyer and the Authorized Auditors may discuss such records with Seller's officers and independent public accountants (and by this provision Seller authorizes said accountants to discuss such billings and costs), all at such times and as often as may be reasonably requested. All such records shall be retained, and shall be subject to examination and audit by the Authorized Auditors, for a period of not less than four (4) years following final payment made by Buyer hereunder or the expiration or termination date of this Agreement, whichever is later. Seller shall make said records or to the

extent accepted by the Authorized Auditors, photographs, micro-photographs, or other authentic reproductions thereof, available to the Authorized Auditors at the Seller's offices located at all reasonable times and without charge. The Authorized Auditors may reproduce, photocopy, download, transcribe, and the like any such records. Any information provided by Seller on machine-readable media shall be provided in a format accessible and readable by the Authorized Auditors. Seller shall not, however, be required to furnish the Authorized Auditors with commonly available software. Seller and Seller's subcontractors and suppliers, as applicable to the services provided under this Agreement, shall be subject at any time with fourteen (14) days prior written notice to audits or examinations by Authorized Auditors, relating to all billings and to verify compliance with all Agreement requirements relative to practices, methods, procedures, performance, compensation, and documentation. Examinations and audits shall be performed using generally accepted auditing practices and principles and applicable Governmental Authority audit standards. If Seller utilizes or is subject to FAR, Part 30 and 31, *et seq.* accounting procedures, or a portion thereof, examinations and audits shall utilize such information. To the extent that the Authorized Auditor's examination or audit reveals inaccurate, incomplete or non-current records, or records are unavailable, the records shall be considered defective. Consistent with standard auditing procedures, Seller shall be provided fifteen (15) days to review the Authorized Auditor's examination results or audit and respond to Buyer's prior to the examination's or audit's finalization and public release. If the Authorized Auditor's examination or audit indicates Seller has been overpaid under a previous payment application, the identified overpayment amount shall be paid by Seller to Buyer within fifteen (15) days of notice to Seller of the identified overpayment. Notwithstanding the foregoing, if the audit reveals that Buyer's overpayment to Seller is more than the greater of \$100,000 or five percent (5.0%) of the billings reviewed, Seller shall pay all expenses and costs incurred by the Authorized Auditors arising out of or related to the examination or audit. Such examination or audit expenses and costs shall be paid by Seller to Buyer within fifteen (15) days of notice to the Seller of such costs and expenses. Any information provided by Seller to the Authorized Auditor shall be held by such Authorized Auditor in strict confidence and Seller may require such Authorized Auditor to enter into a reasonable confidentiality agreement prior to the disclosure of information hereunder; provided that the Authorized Auditors shall not be prevented from disclosure of such information to Buyer to the extent such disclosure to Buyer is required to enable Buyer to carry out its rights and responsibilities under this Agreement and Buyer shall treat such information as Confidential Information to the extent provided under Section 14.21.

Section 11.6 Electric Metering Devices.

(a) Delivered Energy shall be measured using Electric Metering Devices installed, owned and maintained by the Seller. If the Electric Metering Devices are not installed at a Point of Delivery, meters or meter readings shall be adjusted to reflect losses from the Electric Metering Devices to such Point of Delivery. To the extent consistent with the requirements of the Transmission Provider, all Electric Metering Devices used to provide data for the computation of payments shall be sealed and Seller or its designee shall only break the seal when such Electric Metering Devices are to be inspected and tested or adjusted in accordance with this Section 11.6. Seller or its designee shall specify the number, type, and location of such Electric Metering Devices.

(b) Seller or its designee, at no expense to Buyer, shall inspect and test all Electric Metering Devices upon installation and at least annually thereafter. Seller shall provide Buyer with reasonable advance notice of, and permit a representative of Buyer to witness and verify, such inspections and tests to the extent consistent with the requirements of the Transmission Provider. Upon request by Buyer, Seller or its designee shall perform additional inspections or tests of any Electric Metering Device and shall allow a qualified representative of Buyer the right to inspect or witness the testing of any Electric Metering Device. The actual expense of any such requested additional inspection or testing shall be borne by Buyer, unless the results of such additional inspection or testing show an inaccuracy greater than one percent (1%), in which case Seller shall bear such costs. Seller shall provide copies of any inspection or testing reports to Buyer. Notwithstanding the foregoing, Seller shall have the right and Buyer shall permit Seller to withhold proprietary information unless such information is reasonably needed by Buyer to evaluate and verify such inspections and tests. In addition, Buyer shall hold any information obtained during or in connection with such inspections and tests in confidence.

(c) If an Electric Metering Device fails to register, or if the measurement made by an Electric Metering Device is found upon testing to be inaccurate by more than one percent (1.0%), an adjustment shall be made correcting all measurements by the inaccurate or defective Electric Metering Device for both the amount of the inaccuracy and the period of the inaccuracy. The adjustment period shall be determined by reference to Seller's check-meters, if any, or as far as can be reasonably ascertained by Seller from the best available data, subject to review and approval by Buyer. If the period of the inaccuracy cannot be ascertained reasonably, any such adjustment shall be for a period equal to one-third of the time elapsed since the preceding test of the Electric Metering Devices. To the extent that the adjustment period covers a period of deliveries for which payment has already been made by Buyer, Buyer shall use the corrected measurements as determined in accordance with this Section 11.6 to recompute the amount due for the period of the inaccuracy and shall subtract the previous payments by Buyer for this period from such recomputed amount. If the difference is a positive number, the difference shall be paid by Buyer to Seller; if the difference is a negative number, that difference shall be paid by Seller to Buyer, or at the discretion of Buyer, may take the form of an offset to payments due to Seller from Buyer. Payment of such difference by the owing Party shall be made not later than thirty (30) days after the owing Party receives notice of the amount due, unless Buyer elects payment via an offset.

Section 11.7 Taxes. Seller shall be responsible for and shall pay before the due dates therefor, any and all federal, state and local Taxes incurred by it as a result of entering into this Agreement and all Taxes imposed or assessed with respect to the Facility, the Facility site, or any other assets of Seller, the sale of Facility Energy and Environmental Attributes and all Taxes related to Seller's income. Buyer shall be responsible for and shall pay before the due dates therefor, any and all federal, state and local Taxes incurred by it as a result of entering into this Agreement and all Taxes imposed or assessed with respect to any assets of Buyer or the purchase of Facility Energy and Environmental Attributes under this Agreement.

Section 11.8 Special Environmental Liability. The Parties believe that the Facility and the generation or purchase of Facility Energy should not be affected by any legislation or any judicial actions or any regulatory remedies imposed by a Governmental Authority relating to environmental mitigation of the Salton Sea located in Imperial and Riverside counties in

California, including restoration thereof and other conservation and related purposes. However, notwithstanding any other provision of this Agreement but subject to the limitation of liability specified in this Section 11.8, if and to the extent that any Special Environmental Liability is imposed on or payable by Buyer or any of the Applicable Buyer's Members, Seller shall be obligated to make payment of such Special Environmental Liability to Buyer or for Buyer's account or for the account or accounts of the Applicable Buyer's Members as shall be directed by Buyer, or in the event that Buyer or any of the Applicable Buyer's Members shall pay directly such Special Environmental Liability payable by Buyer or the Applicable Buyer's Members, Buyer shall be entitled to a credit or setoff as provided in Section 11.2(b) of such Special Environmental Liability paid directly by Buyer and Applicable Buyer's Members against amounts otherwise payable by Buyer to Seller under this Agreement. If the amounts of the Special Environmental Liability paid by Buyer and any of the Applicable Buyer's Members in a month exceeds the amounts otherwise payable by Buyer to Seller under this Agreement for such month, Seller shall reimburse Buyer for any portion of such Special Environmental Liability that exceeds such amounts payable by Buyer to Seller for such month as to which Buyer shall receive such credit or set off. Buyer shall promptly notify Seller with respect to any such unreimbursed Special Environmental Liability and Seller shall promptly reimburse Buyer for such portion of such Special Environmental Liability that exceeds such amounts otherwise payable by Buyer to Seller for such month. If Buyer or any Applicable Buyer's Member is subsequently refunded, credited, or otherwise repaid by a Special Environmental Liability Entity for any portion of the Special Environmental Liability for which Seller has previously reimbursed Buyer (whether directly or indirectly through crediting or set-off), then Buyer may first satisfy any amounts due Buyer from Seller then outstanding from such amount refunded, credited, or otherwise repaid to Buyer or Applicable Buyer's Members and any remaining balance thereof shall promptly be paid to Seller. Notwithstanding anything to the contrary in this Agreement, Seller's aggregate liability to Buyer and the Applicable Buyer's Members under this Section 11.8 relating to all Special Environmental Liabilities throughout the Agreement Term shall be limited to Ten million dollars (\$10,000,000.00), which shall be subject to replenishment from any amounts refunded, credited, or otherwise repaid to Seller pursuant to the immediately preceding sentence ("**SEL Cap**"). Once such amount has been paid and Seller has delivered to Buyer a notice of such payment (the "**SEL Payment Notice**"), Seller, subject to Section 11.9, shall no longer have any liability to Buyer or the Applicable Buyer's Members for any additional payment for Special Environmental Liabilities.

Section 11.9 Right of Termination. If Seller's aggregate payments for Special Environmental Liabilities pursuant to Section 11.8 equal or exceed the SEL Cap and any Special Environmental Liability shall thereafter be imposed on or continue to be imposed on or payable by Buyer or any of the Applicable Buyer's Members, then Buyer may terminate this Agreement by providing notice of termination to Seller within ninety (90) days after the date on which the SEL Cap is exhausted, and such termination shall become effective on the date that is thirty (30) days after Buyer provides such notice of termination unless the Parties agree in writing on an alternate date, in which case termination of this Agreement shall become effective on such alternate date. Notwithstanding the foregoing, Buyer shall not have the right to terminate this Agreement under this Section 11.9 to the extent that prior to the exhaustion of the SEL Cap Seller has agreed in writing to continue for the Agreement Term to pay for Buyer's account and for the account or accounts of the Applicable Buyer's Members the Special Environmental Liabilities or to reimburse Buyer and the Applicable Buyer's Members for Special

Environmental Liabilities, as provided for in Section 11.8, notwithstanding the SEL Cap. Upon termination of this Agreement pursuant to this Section 11.9, Buyer shall return the Delivery Term Security to Seller as and to the extent provided in Section 5.9(d). If Seller does not agree in writing prior to the exhaustion of the SEL Cap to continue to pay for Buyer's account and for the account or accounts of the Applicable Buyer's Members or to reimburse Buyer and the Applicable Buyer's Members for Special Environmental Liabilities in excess of the SEL Cap, in each case for the Agreement Term, then, notwithstanding anything to the contrary in this Agreement, early termination under this Section 11.9 is Buyer's sole and exclusive remedy for any Special Environmental Liability imposed on or payable by Buyer or any of the Applicable Buyer's Members in excess of the SEL Cap.

ARTICLE XII REPRESENTATIONS AND WARRANTIES; COVENANTS OF SELLER

Section 12.1 Representations and Warranties of Buyer. Buyer makes the following representations and warranties to Seller as of the Effective Date:

(a) Buyer is a validly existing California joint powers authority and has the legal power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and each Buyer Ancillary Document and carry out the transactions contemplated hereby and thereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement and all such Buyer Ancillary Documents.

(b) The execution, delivery and performance by Buyer of this Agreement and each Buyer Ancillary Document have been duly authorized by all necessary action, and do not and will not require any consent or approval of Buyer's regulatory or governing bodies, other than that which has been obtained.

(c) This Agreement and each of the Buyer Ancillary Documents constitute the legal, valid, and binding obligation of Buyer enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws relating to or affecting the enforcement of creditors' rights generally or by general equitable principles, regardless of whether such enforceability is considered in a proceeding in equity or at law.

Section 12.2 Representations, Warranties and Covenants of Seller. Seller makes the following representations and warranties to Buyer as of the Effective Date:

(a) Each of the Seller Parties is a general partnership, corporation or limited liability company duly organized, validly existing, and in good standing under the laws of its respective state of incorporation or organization, is qualified to do business in the State of California and to the extent required by the nature or scope of its operations, the State of Nevada, and has the legal power and authority to own and lease its properties, to carry on its business as now being conducted and (in the case of Seller) to enter into this Agreement and (in the case of each Seller Party) each Seller Ancillary Document to which it may be party and, carry out the transactions contemplated hereby and/or thereby and perform and carry out all covenants and

obligations on its part to be performed under and pursuant to this Agreement and/or all Seller Ancillary Documents.

(b) The execution, delivery and performance by the Seller and the Seller Parties of this Agreement and all Seller Ancillary Documents, as applicable, have been duly authorized by all necessary action, and do not and will not require any consent or approval other than those which have already been obtained.

(c) The execution and delivery of this Agreement and all Seller Ancillary Documents, the consummation of the transactions contemplated hereby and thereby and the fulfillment of and compliance with the provisions of this Agreement and the Seller Ancillary Documents by the respective Seller Party, do not and will not conflict with or constitute a breach of or a default under, any of the terms, conditions or provisions of any Requirement of Law, or any organizational documents, deed of trust, mortgage, loan agreement, other evidence of indebtedness or any other material agreement or instrument to which the applicable Seller Party is a party or by which it or any of its property is bound, or result in a breach of or a default under any of the foregoing or result in or require the creation or imposition of any Lien upon any of the properties or assets of the applicable Seller Party (except as contemplated or permitted hereby), and each Seller Party has obtained or shall timely obtain all Permits required for the performance of its obligations hereunder and thereunder, as the case may be, and Seller will timely obtain all Permits required for the operation of the Facility in accordance with Prudent Utility Practices, the requirements of this Agreement, the Seller Ancillary Documents and all applicable Requirements of Law.

(d) Each of this Agreement and the Seller Ancillary Documents constitutes the legal, valid and binding obligation of the respective Seller Party which is party thereto enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws relating to or affecting the enforcement of creditors' rights generally or by general equitable principles, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(e) There is no pending, or to the knowledge of the Seller, threatened action or proceeding affecting any Seller Party before any Governmental Authority, which purports to affect the legality, validity or enforceability of this Agreement or any of the Seller Ancillary Documents.

(f) None of the Seller Parties is in violation of any Requirement of Law, which violations, individually or in the aggregate, would reasonably be expected to result in a material adverse effect on the business, assets, operations, condition (financial or otherwise) or prospects of any Seller Party, or the ability of any Seller Party to perform any of its obligations under this Agreement or any Seller Ancillary Document.

(g) Seller is and will be throughout the term of this Agreement a Special Purpose Entity.

(h) The respective Seller Parties have (i) not entered into this Agreement or any Seller Ancillary Document with the actual intent to hinder, delay or defraud any creditor,

and (ii) received reasonably equivalent value in exchange for their respective obligations under this Agreement and/or the Seller Ancillary Documents. No petition in bankruptcy has been filed against any of the Seller Parties, and none of the Seller Parties have ever made an assignment for the benefit of creditors or taken advantage of any insolvency act for its benefit as a debtor.

(i) All of the assumptions made in the Non-Consolidation Opinion, including any exhibits attached thereto, are true and correct. Seller has complied or will comply after the date hereof with all of the assumptions made with respect to Seller in the Non-Consolidation Opinion.

(j) None of the Seller Parties has any reason to believe that any of the Permits required to maintain or operate the Facility in accordance with the Requirements will not be timely obtained in the ordinary course of business.

(k) All Tax returns and reports of each Seller Party required to be filed by it have been timely filed, and all Taxes shown on such Tax returns to be due and payable and all assessments, fees and other governmental charges upon the Seller Parties and upon its properties, assets, income, business and franchises that are due and payable have been paid when due and payable.

(l) Seller owns or possesses, or will own or possess in a timely manner, all patents, rights to patents, trademarks, copyrights, and licenses necessary for the performance by the Seller of this Agreement and the Seller Ancillary Documents and the transactions contemplated thereby, without any conflict with the rights of others.

(m) With respect to the Delivery Term, Seller has not assigned, transferred, conveyed, encumbered, sold, or otherwise disposed of any Facility Energy, Environmental Attributes, or Capacity Rights except as permitted herein.

(n) The Site is within the legal jurisdiction of the State of California under the California Regulation for Mandatory Reporting of Greenhouse Gas Emissions, and the Site, or any part thereof, is not located on lands of any Indian Reservation or that are under control of any Indian Tribe. At all times after the Effective Date, Seller shall have "Site Control" which means that Seller shall own the Site, have a right-of-way with respect to the Site, or be the lessee of the Site under a lease which permits Seller to perform its obligations under the Agreement and the Seller Ancillary Documents. Seller shall provide Buyer with prompt notice of any change in the status of Seller's Site Control. Seller shall not take any action or permit any action to be taken at or with respect to the Site that impairs or adversely affects the Facility or the geothermal resource, or the capability of the Facility.

(o) As of the Effective Date, the organizational structure and ownership of Seller and each Upstream Equity Owner below Ormat Nevada Inc., including a list of each of such entity's Principals, is as set forth on Schedule A.

(p) As of the Effective Date, Seller has obtained all the Permits required for the Facility as of the Effective Date and all such Permits are in full force and effect.

Section 12.3 Covenant of Seller Related to Investments. Seller shall inform all investors in the Seller of the existence of this Agreement and all Seller Ancillary Documents on or before the date of such investment in the Seller.

Section 12.4 Covenants of Seller Related to Tax Equity Financing. Seller shall provide Buyer with at least sixty (60) days' prior written notice of the consummation of a Tax Equity Financing, which notice shall include (i) introductory and contact information about and for any potential Tax Equity Investor, (ii) a summary of the provisions related to, and the structure surrounding, the power to control the management and policies of Seller, and any entity that is jointly-owned by any Upstream Equity Owner and such Tax Equity Investor arising in connection with the Tax Equity Financing, and (iii) a statement of the circumstances under which such provisions and structure could be modified by such Tax Equity Investor.

Section 12.5 Additional Covenants of Seller. Seller and each Seller Party shall, at its expense, take all steps necessary to maintain all Permits, including as set forth in Appendix B, required for the performance of such Seller or Seller Party's obligations hereunder and under the Seller Ancillary Documents to which such Seller Party is a party, and for the construction of the Facility, and the operation of the Facility, in accordance with the Requirements.

ARTICLE XIII DEFAULT; TERMINATION AND REMEDIES; PERFORMANCE DAMAGE

Section 13.1 Default. Each of the following events or circumstances shall constitute a "*Default*" by the responsible Party (the "*Defaulting Party*"):

(a) **Payment Default.** Failure by either Party to make any payment under this Agreement or any of the Buyer Ancillary Documents, in the case of Buyer, or Seller Ancillary Documents, in the case of Seller, when and as due which is not cured within thirty (30) calendar days after receipt of notice thereof.

(b) **Performance Default.** Failure by either Party to perform any of its other duties or obligations under this Agreement or any of the Buyer Ancillary Documents, in the case of Buyer, or Seller Ancillary Documents, in the case of Seller, except for obligations as to which an express remedy is herein provided, when and as required that is not cured within thirty (30) days after receipt of notice thereof; provided that if such failure by Buyer cannot be cured within such thirty (30) day period, despite reasonable commercial efforts and such failure is not a failure to make a payment when due, Buyer shall have up to ninety (90) days to cure.

(c) **Breach of Representation and Warranty.** Inaccuracy in any material respect at the time made or deemed to be made of any representation, warranty, certification, or other statement made herein or in any Buyer Ancillary Document, in the case of Buyer, or Seller Ancillary Documents, in the case of Seller, which representation, warranty, certification or other statement is not cured within thirty (30) days after receipt of notice thereof.

(d) **Buyer Bankruptcy.** Bankruptcy of Buyer.

(e) **Seller Bankruptcy.** Bankruptcy of any Seller Party.

(f) **Shortfall Energy Default.** The failure of Seller to deliver in each of two consecutive Contract Years at least fifty percent (50%) of the Guaranteed Generation, which shall be reduced by the amount of Facility Energy that would have been generated and delivered during such Contract Year but for (a) Force Majeure, or (b) Buyer's failure to perform (including Buyer's failure to receive Facility Energy under Section 6.3).

(g) **Performance Security Failure.** The failure of Seller to maintain the Performance Security in compliance with Section 5.9.

(h) **Delivery Commencement Milestone Date Default.** After the date that is ninety (90) days after the Delivery Commencement Milestone Date, as extended pursuant to Section 3.6, the failure by Seller to have achieved Delivery Commencement.

(i) **Lease or Permit Termination.** The Facility is no longer able to operate because one or more of the Leases or Permits fails to be in effect or has terminated, provided that if such failure or termination is due to a decision of a Governmental Authority, such decision must be final and nonappealable.

(j) **Insurance Default.** The failure of Seller to maintain and provide acceptable evidence of Insurance unless cured within five (5) days.

(k) **Fundamental Change.** Except as permitted by Section 14.7 (i) a Party makes an assignment of its rights or a delegation of its obligations under this Agreement or (ii) a Change in Control occurs (whether voluntary or by operation of law).

Section 13.2 Default Remedy.

(a) If Buyer is in Default for nonpayment, subject to any duty or obligation under this Agreement, Seller may continue to provide services pursuant to its obligations under this Agreement; provided that nothing in this Section 13.2(a) shall affect Seller's rights and remedies set forth in this Section 13.2. Seller's continued service to Buyer shall not act to relieve Buyer of any of its duties or obligations under this Agreement.

(b) Notwithstanding any other provision herein, if any Default has occurred and is continuing, the affected Party may, whether or not the dispute resolution procedure set forth in Section 14.3 has been invoked or completed, bring an action in any court of competent jurisdiction as set forth in Section 14.13 seeking injunctive relief in accordance with applicable rules of civil procedure.

(c) Except as expressly limited by this Agreement, if a Default has occurred and is continuing and the Buyer is the Defaulting Party, Seller may without further notice exercise any rights and remedies provided herein or otherwise available at law or in equity, including the right to terminate this Agreement pursuant to Section 13.3. No failure of Seller to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Seller of any other right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power.

(d) Except as expressly limited by this Agreement, if a Default has occurred and is continuing and the Seller is the Defaulting Party, Buyer may without further notice exercise any rights and remedies provided for herein, or otherwise available at law or equity, including (i) application of all amounts available under the Performance Security against any amounts then payable by Seller to Buyer under this Agreement and (ii) termination of this Agreement pursuant to Section 13.3. No failure of Buyer to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Buyer of any right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power. Notwithstanding anything to the contrary herein, Buyer's exclusive remedies for a Default under Section 13.1(h) are the right to terminate this Agreement and be paid liquidated damages under Section 3.7(b) or the right to be paid liquidated damages in connection with an early termination of the Agreement by Seller pursuant to Section 2.4(h), as applicable.

Section 13.3 Termination for Default.

(a) If Default occurs, the Party that is not the Defaulting Party (the "*Non Defaulting Party*") may, for so long as the Default is continuing and without limiting any other rights or remedies available to the Non-Defaulting Party under this Agreement, by notice ("*Termination Notice*") to the Defaulting Party (i) establish a date (which shall be no earlier than the date of such notice and no later than twenty (20) days after the date of such notice) ("*Early Termination Date*") on which this Agreement shall terminate, and (ii) withhold any payments due in respect of this Agreement; provided, upon the occurrence of any Default of the type described in Section 13.1(d) or Section 13.1(e), this Agreement shall automatically terminate, without notice or other action by either Party as if an Early Termination Date had been declared immediately prior to such event.

(b) If an Early Termination Date has been designated, the Non-Defaulting Party shall calculate in a commercially reasonable manner its Gains, Losses and Costs resulting from the termination of this Agreement and the resulting Termination Payment. The Gains, Losses and Costs relating to the Facility Energy and Environmental Attributes that would have been required to be delivered under this Agreement had it not been terminated shall be determined by comparing the amounts Buyer would have paid therefor under this Agreement to the equivalent quantities and relevant market prices either quoted by a bona fide third party offer or which are reasonably expected by Buyer to be available in the market under a replacement contract for this Agreement covering the same products and having a term equal to the Remaining Term at the date of the Termination Notice adjusted to account for differences in transmission, if any. The Non-Defaulting Party shall not be required to enter into any such replacement agreement in order to determine its Gains, Losses and Costs or the Termination Payment. To ascertain the market prices of a replacement contract, the Non Defaulting Party may consider, among other valuations, quotations from dealers in energy contracts and bona fide third party offers.

(c) For purposes of the Non-Defaulting Party's determination of its Gains, Losses and Costs and the Termination Payment, it shall be assumed, regardless of the facts, that Seller would have sold, and Buyer would have purchased, each day during the Remaining Term (i) Facility Energy in an amount equal the Assumed Daily Deliveries, and (ii) the Environmental

Attributes associated therewith. The "*Assumed Daily Deliveries*" is an amount equal to the Guaranteed Generation for the then current Contract Year multiplied by 1.0556, divided by 365.

(d) The Non-Defaulting Party shall notify the Defaulting Party of the Termination Payment, which notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Defaulting Party shall, within ten (10) Business Days after receipt of such notice, pay the Termination Payment to the Non-Defaulting Party, together with interest accrued at the Interest Rate from the Early Termination Date until paid.

(e) If the Defaulting Party disagrees with the calculation of the Termination Payment and the Parties cannot otherwise resolve their differences, the calculation issue shall be submitted to informal non-binding dispute resolution as provided in Section 14.3(a). Following resolution of the dispute, the Defaulting Party shall pay the full amount of the Termination Payment (if any) determined by such resolution as and when required, but no later than thirty (30) days following the date of such resolution, together with all interest, at the Interest Rate, that accrued from the Early Termination Date until the date the Termination Payment is paid.

(f) For purposes of this Agreement:

(i) "*Gains*" means, with respect to a Party, an amount equal to the present value of the economic benefit (exclusive of Costs), if any, resulting from the termination of its obligations under this Agreement, determined in a commercially reasonable manner;

(ii) "*Losses*" means, with respect to a Party, an amount equal to the present value of the economic loss (exclusive of Costs), if any, resulting from the termination of its obligations under this Agreement, determined in a commercially reasonable manner;

(iii) "*Costs*" means, with respect to a Party, brokerage fees, commissions and other similar transaction costs and expenses reasonably incurred in terminating any arrangement pursuant to which it has hedged its obligations or entering into new arrangements which replace this Agreement, excluding attorneys' fees, if any, incurred in connection with enforcing its rights under this Agreement. Each Party shall use reasonable efforts to mitigate or eliminate its Costs.

(iv) In no event shall a Party's Gains, Losses or Costs include any penalties or similar charges imposed by the Non-Defaulting Party.

(v) The Present Value Rate shall be used as the discount rate in all present value calculations required to determine Gains, Losses and Costs.

(g) At the time for payment of any amount due under this Section, each Party shall pay to the other Party all additional amounts, if any, payable by it under this Agreement (including any amounts withheld pursuant to Section 13.3(a)(ii) above).

ARTICLE XIV
MISCELLANEOUS

Section 14.1 Authorized Representative. Each Party shall designate an authorized representative who shall be authorized to act on its behalf with respect to those matters contained herein (each an "*Authorized Representative*"), which shall be the functions and responsibilities of such Authorized Representatives. Each Party may also designate an alternate who may act for the Authorized Representative. Within thirty (30) days after execution of this Agreement, each Party shall notify the other Party of the identity of its Authorized Representative, and alternate if designated, and shall promptly notify the other Party of any subsequent changes in such designation. The Authorized Representatives shall have no authority to alter, modify, or delete any of the provisions of this Agreement.

Section 14.2 Notices. With the exception of billing invoices pursuant to Section 11.2(b) hereof, all notices, requests, demands, consents, waivers and other communications which are required under this Agreement shall be (a) in writing (regardless of whether the applicable provision expressly requires a writing), (b) deemed properly sent if delivered in person or sent by facsimile transmission, reliable overnight courier, or sent by registered or certified mail, postage prepaid to the persons specified in Appendix C, and (c) deemed delivered, given and received on the date of delivery, in the case of facsimile transmission, or on the date of receipt in the case of registered or certified mail. In addition to the foregoing, the Parties may agree in writing at any time to deliver notices, requests, demands, consents, waivers and other communications through alternate methods, such as electronic mail.

Section 14.3 Dispute Resolution.

(a) In the event of any claim, controversy or dispute between the Parties arising out of or relating to or in connection with this Agreement (including any dispute concerning the validity of this Agreement or the scope and interpretation of this Section 14.3) (a "*Dispute*"), either Party (the "*Notifying Party*") may deliver to the other Party (the "*Recipient Party*") notice of the Dispute with a detailed description of the underlying circumstances of such Dispute (a "*Dispute Notice*"). The Dispute Notice shall include a schedule of the availability of the Notifying Party's senior officers (having a title of senior vice president (or its equivalent) or higher) duly authorized to settle the Dispute during the thirty (30) day period following the delivery of the Dispute Notice.

(b) The Recipient Party shall within five (5) Business Days following receipt of the Dispute Notice, provide to the Notifying Party a parallel schedule of availability of the Recipient Party's senior officers (having a title of senior vice president (or its equivalent) or higher) duly authorized to settle the Dispute. Following delivery of the respective senior officers' schedules of availability, the senior officers of the Parties shall meet and confer as often as they deem reasonably necessary during the remainder of the thirty (30) day period in good faith negotiations to resolve the Dispute to the satisfaction of each Party.

(c) In the event a Dispute is not resolved pursuant to the procedures set forth in Section 14.3(a) and Section 14.3(b) by the expiration of the thirty (30) day period set forth in

Section 14.3(a), then either Party may pursue any legal remedy available to it in accordance with the provisions of Section 14.13 of this Agreement.

(d) As stated in Section 14.12, this Agreement shall be governed by, interpreted and enforced in accordance with laws of the State of California, without regard to the conflict of laws principles thereof. In addition to the dispute resolution process set forth in this section, parties to this Agreement must comply with California law governing claims against public entities and presentment of such claims.

Section 14.4 Further Assurances. Each Party agrees to execute and deliver all further instruments and documents, and take all further action not inconsistent with the provisions of this Agreement that may be reasonably necessary to effectuate the purposes and intent of this Agreement.

Section 14.5 No Dedication of Facilities. Any undertaking by one Party hereto to the other Party under any provisions of this Agreement shall not constitute the dedication of the system or any portion thereof of either Party to the public or to the other Party or any other Person, and it is understood and agreed that any such undertaking by either Party shall cease upon the termination of such Party's obligations under this Agreement.

Section 14.6 Force Majeure.

(a) A Party shall not be considered to be in default in the performance of any of its obligations under this Agreement, other than an obligation to make payment, when and to the extent such Party's performance is prevented by a Force Majeure that, despite the exercise of due diligence, such Party is unable to prevent or mitigate, provided the Party, as soon as practicable after becoming aware of the Force Majeure, declares the Force Majeure by giving a written notice (the "*Force Majeure Notice*") to the other Party and upon request by the other Party furnishes the other Party with a detailed description of the full particulars of the Force Majeure reasonably promptly (and in any event within fourteen (14) days after the request therefor), which shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The Party providing the Force Majeure Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. If Seller is unable to deliver, or Buyer is unable to receive, Energy due to a Force Majeure, Buyer shall have no obligation to pay Seller for the Energy not delivered or received by reason thereof. It is understood by the Parties that the foregoing provisions shall not excuse any obligations of Seller with respect to Shortfall Energy and Replacement Energy as provided for under Article IX, that is not delivered due to Force Majeure, provided that such required delivery of Shortfall Energy or Replacement Energy, as applicable, shall be extended for the duration of the Force Majeure. In no event shall Buyer be obligated to compensate Seller or any other Person for any losses, expenses or liabilities that Seller or such other Person may sustain as a consequence of any Force Majeure.

(b) The term "*Force Majeure*" means (i) curtailment or interruption of Transmission Service (subject to Section 14.6(c)), any act of God, labor disturbance, act of the

public enemy, war, insurrection, riot, civil disturbances, sabotage, blockade, expropriation, confiscation, fire, unusual or extreme adverse weather-related events or natural disasters (such as lightning, landslide, earthquake, tornado, hurricane, storm or flood), or any order, regulation or restriction imposed by WECC or NERC or by governmental, military or lawfully established civilian authorities, or (ii) any other event of circumstance, which, in each case of clauses (i) and (ii), (A) prevents one Party from performing any of its obligations under this Agreement, (B) could not reasonably be anticipated as of the date of this Agreement, (C) is not within the reasonable control of, or the result of negligence, willful misconduct, breach of contract, intentional act or omission or wrongdoing on the part of the affected Party (or any subcontractor or Affiliate of that Party, or any Person under the control of that Party or any of its subcontractors or Affiliates, or any Person for whose acts such subcontractor or Affiliate is responsible), and (D) which by the exercise of due diligence the affected Party is unable to overcome or avoid or cause to be avoided; provided, nothing in this clause (D) shall be construed so as to require either Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or labor dispute in which it may be involved. Any Party rendered unable to fulfill any of its obligations by reason of a Force Majeure shall exercise due diligence to remove such inability with reasonable dispatch within a reasonable time period and mitigate the effects of the Force Majeure. The relief from performance shall be of no greater scope and of no longer duration than is required by the Force Majeure. Without limiting the generality of the foregoing, a Force Majeure does not include any of the following (each an "*Unexcused Cause*"): (1) any Change in Law that shall cause the RPS Law or the EPS Law to be no longer in force or effect or that as a result of such Change in Law Seller shall be unable to make the Facility RPS Compliant or EPS Compliant as provided in Section 8.6(b); (2) events arising from the failure by Seller to operate or maintain the Facility in accordance with this Agreement; (3) any increase of any kind in any cost; (4) delays in or inability of a Party to obtain financing or other economic hardship of any kind; (5) Seller's ability to sell any Energy at a price in excess of those provided in this Agreement; (6) Seller's failure to secure or obtain interconnection of the Facility or Transmission Services to a Point of Delivery; (7) curtailment or other interruption of any Transmission Services except as otherwise expressly provided in Section 14.6(c); (8) failure of third parties to provide goods or services essential to a Party's performance except to the extent caused by an event that otherwise constitutes Force Majeure hereunder; (9) Facility or equipment failure of any kind except to the extent caused by an event that otherwise constitutes Force Majeure hereunder; or (10) any changes in the financial condition of the Buyer, any Seller Party, the Facility Lender or any subcontractor or supplier affecting the affected Party's ability to perform its obligations under this Agreement.

(c) Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment or other interruption of Transmission Services for any Energy at any time unless (A) such Party has arranged for Firm Transmission to be provided for the Facility Energy in connection with such Transmission Service at the time, and (B) the curtailment or interruption is not due to the fault or negligence of the Party claiming Force Majeure; provided, the existence of the foregoing factors shall not be sufficient to conclusively or presumptively prove the existence of Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that a Force Majeure as defined in Section 14.6(b) has occurred. For the avoidance of doubt, Buyer may not claim Force Majeure for any curtailment, interruption or other circumstance associated with Transmission Services downstream of a Point of Delivery,

unless and to the extent that such curtailment, interruption or circumstance prevents Buyer or Buyer's Transmission Provider from receiving Energy at such Point of Delivery.

(d) During the Delivery Term, if one or more events of Force Majeure (i) shall cause the Facility to be reduced to a capacity of less than 17.5 MW (adjusted to reflect the difference between ambient temperatures and annual average temperature) for a period of six (6) consecutive months, or (ii) shall prevent Buyer from accepting more than 2.5 MW (adjusted to reflect the difference between ambient temperatures and annual average temperature) at IID's Highline 92 kV Substation Point of Delivery or from accepting more than 15 MW (adjusted to reflect the difference between ambient temperatures and annual average temperature) at the 230 kV Mead Substation, in each case for any hour that the Facility is able to generate Facility Energy for a period of six (6) consecutive months (the period of six (6) consecutive months in either (i) or (ii), the "*Force Majeure Trigger Period*"), the non-claiming Party shall have the right, if the claiming Party is unable to overcome the condition in clause (i) or (ii) above, as applicable, within the Force Majeure Cure Period, to terminate this Agreement upon the last day of such Force Majeure Cure Period, so long as notice of termination is received prior to the end of the Force Majeure Cure Period.

Section 14.7 Assignment of Agreement; Certain Agreements by Seller.

(a) Except as set forth in this Section 14.7, neither Party may assign any of its rights, or delegate any of its obligations, under this Agreement or the Ancillary Documents without the prior written consent of the other Party, such consent not to be unreasonably withheld. Any Change in Control (whether voluntary or by operation of law) shall be deemed an assignment and shall require the prior written consent of Buyer, which consent shall not be unreasonably withheld. Seller shall provide Buyer with sixty (60) days' prior written notice of any proposed Change in Control. Concurrently with any reorganization or financing transaction or transactions constituting any Change in Control in which Seller merges or consolidates with any other Person and ceases to exist, the successor entity to Seller shall execute a written assumption agreement in favor of Buyer pursuant to which any such successor entity shall assume all of the obligations of Seller under this Agreement and the Seller Ancillary Documents and agree to be bound by all the terms and conditions of this Agreement and the Seller Ancillary Documents, as applicable.

(b) Buyer may from time to time and at any time assign any or all of its rights, and delegate any or all of its obligations, under this Agreement in whole or in part without the consent of Seller to any of the Buyer's Members that has executed, or will execute contemporaneously with such assignment, an agreement to purchase the Energy delivered to Buyer under this Agreement; provided that the proposed assignee has an Investment-Grade Credit Rating and an assignment pursuant to this Section 14.7 will not impair the assignee's credit rating. Except as set forth in this Section 14.7(b), Buyer shall not assign any of its rights, or delegate any of its obligations, under this Agreement without the prior written consent of Seller, which consent shall not be withheld or delayed unreasonably. Any purported assignment or delegation in violation of this provision shall be null and void and of no force or effect.

(c) Seller hereby expressly represents and confirms, and Buyer hereby expressly acknowledges based on such representation by Seller, that Seller, as a Guarantor under

(and as defined in) the Indenture and the Financing Documents, has assigned all of its rights, title and interest in, to and under the Facility and this Agreement (and any Seller Ancillary Documents) to the Collateral Agent for the benefit of the Secured Parties (as such term is defined in the Indenture). To the extent required to comply with the terms of the Indenture and the Financing Documents, at Seller's request, Buyer shall enter into an agreement with Seller and the Collateral Agent to evidence Buyer's consent to such assignment by Seller and to address such other matters as are customarily included in consents to assignments in the context of financing arrangements or agreements similar to the Indenture, which shall be in form and substance reasonably acceptable to Buyer (which consent shall not be unreasonably withheld or delayed). Seller shall reimburse Buyer for the reasonable incremental direct expenses incurred by Buyer in the preparation, negotiation, execution or delivery of any documents requested by Seller or the Collateral Agent, and provided by Buyer, pursuant to this Section 14.7(c).

(d) Except as set forth in this Section 14.7, Seller has not and shall not sell or transfer all or any portion of the Facility to any Person other than a Person to whom Seller assigns this Agreement and the Seller Ancillary Documents in accordance with this Section 14.7, without the prior written consent of Buyer, which consent shall not be withheld or delayed unreasonably. Any purported sale or transfer in violation of this Section 14.7(d) shall be null and void and of no force or effect.

(e) There are no third party beneficiaries of this Agreement, and, except as provided in this Section 14.7, this Agreement shall not grant any rights enforceable by any Person not a party to this Agreement. Notwithstanding the foregoing, Buyer's consent shall not be required for Seller to collaterally assign this Agreement to any Facility Lender for the sole purpose of financing or refinancing; provided, however, that the terms of such financing and the documentation relating thereto entered into after the date of this Agreement shall not conflict with the applicable terms and conditions of this Agreement. Seller shall provide Buyer with ninety (90) days prior written notice of any such assignment to any Facility Lender. Notwithstanding the foregoing or anything else expressed or implied herein to the contrary, except to the extent provided in the Indenture and the Financing Documents, Seller shall not assign, transfer, convey, encumber, sell or otherwise dispose of all or any portion of the Facility Energy, Capacity Rights or Environmental Attributes (not including the proceeds thereof) to any Facility Lender.

(f) To facilitate Seller's obtaining of financing in connection with the Facility after the date of this Agreement, Buyer shall provide such consents to assignment of this Agreement, any Buyer Ancillary Documents and/or any Seller Ancillary Documents, in each case not including the deed of trust, mortgage or similar arrangement referred to in Section 14.7(g), (in form and substance reasonably satisfactory to Buyer), as may be reasonably requested by Seller or any Facility Lender in connection with the financing of the Facility, including the acquisition of equity for the operation of the Facility; provided, however, that the terms of such financing and the documentation relating thereto shall not conflict with the applicable terms and conditions of this Agreement. Seller shall reimburse, or shall cause the Facility Lender to reimburse, Buyer for the reasonable incremental direct expenses incurred by Buyer in the preparation, negotiation, execution or delivery of any documents requested by Seller or the Facility Lender, and provided by Buyer, pursuant to this Section 14.7(f).

(g) Notwithstanding anything to the contrary in this Agreement, Seller may hereafter enter into a credit or other agreement with a Facility Lender providing for financing or refinancing of the Facility (the "*Facility Credit Agreement*") that provides, as security for Seller's performance thereunder, in addition to any assignment of this Agreement, for a Lien on and security interest in and to the Facility under a deed of trust, mortgage or similar arrangement, but only with the consent by Buyer (which consent shall not be withheld or delayed unreasonably) provided pursuant to an agreement by and among Buyer, Seller and the Facility Lender which shall be in form and substance reasonably acceptable to Buyer and shall contain terms that are customary for such consents provided in the context of arrangements similar to those contemplated in this Agreement.

(h) For the avoidance of doubt, any claims by Buyer for breach of this Agreement for failure of Seller to perform any of its obligations under this Agreement shall not be in any manner limited and Seller shall not be released from its obligations under this Agreement as a result of the exercise of any remedy or other enforcement action affecting the Facility by a lender, trustee, collateral agent or other party under any Seller Financing or Security Documents, and in any such event Buyer shall have all rights available to it under this Agreement and otherwise under applicable law as a result of such breach and failure to perform, including without limitation, its rights to receive payment under the Performance Security.

(i) Seller hereby agrees (i) not to consent or agree to or permit any amendment to or otherwise take any action under or in connection with the Indenture or any other Financing Documents, and (ii) to take any action required under or in connection with the Indenture or any other Financing Documents; provided that the foregoing restrictions in this Section 14.7(i) shall not apply if such consent, agreement, permission, action or failure to take action (A) will not impair Seller's obligations under this Agreement and not impair or materially adversely affect the rights and interests of Buyer under this Agreement or (B) is required by the terms and provisions of the Indenture or any other Financing Documents.

Section 14.8 Ambiguity. The Parties acknowledge that this Agreement was jointly prepared by them, by and through their respective legal counsel, and any uncertainty or ambiguity existing herein shall not be interpreted against either Party on the basis that the Party drafted the language, but otherwise shall be interpreted according to the application of the rules on interpretation of contracts.

Section 14.9 Attorney Fees & Costs. Both Parties hereto agree that in any action to enforce the terms of this Agreement that each Party shall be responsible for its own attorney fees and costs. Each of the Parties to this Agreement was represented by its respective legal counsel during the negotiation and execution of this Agreement. Notwithstanding the foregoing, to the extent Buyer incurs legal costs in order to facilitate any collateral assignment or pledge of this Agreement under Section 14.7, or in determining whether a Change in Control has occurred, or in taking such other action or review that is at the request of Seller or required due to the actions or omissions of Seller, Seller shall bear Buyer's reasonable and documented legal costs therefor.

Section 14.10 Voluntary Execution. Both Parties hereto acknowledge that they have read and fully understand the content and effect of this Agreement that the provisions of this Agreement have been reviewed and approved by their respective counsel. The Parties to this

Agreement further acknowledge that they have executed this Agreement voluntarily, subject only to the advice of their own counsel, and do not rely on any promise, inducement, representation or warranty that is not expressly stated herein.

Section 14.11 Entire Agreement. This Agreement (including all Appendices and Exhibits) contains the entire understanding concerning the subject matter herein and supersedes and replaces any prior negotiations, discussions or agreements between the Parties, or any of them, concerning that subject matter, whether written or oral, except as expressly provided for herein. This is a fully integrated document. Each Party acknowledges that no other party, representative or agent, has made any promise, representation or warranty, express or implied, that is not expressly contained in this Agreement that induced the other Party to sign this document. This Agreement may be amended or modified only by an instrument in writing signed by each Party.

Section 14.12 Governing Law. This Agreement was made and entered into in the City of Glendora and shall be governed by, interpreted and enforced in accordance with the laws of the State of California, without regard to conflict of law principles.

Section 14.13 Venue. All litigation arising out of, or relating to this Agreement, shall be brought in a state or federal court in the County of Los Angeles in the State of California. The Parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of forum non conveniens.

Section 14.14 Execution in Counterparts. This Agreement may be executed in counterparts and upon execution by each signatory, each executed counterpart shall have the same force and effect as an original instrument and as if all signatories had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signature thereon, and may be attached to another counterpart of this Agreement identical in form hereto by having attached to it one or more signature pages.

Section 14.15 Effect of Section Headings. Section headings appearing in this Agreement are inserted for convenience only and shall not be construed as interpretations of text.

Section 14.16 Waiver. The failure of either Party to this Agreement to enforce or insist upon compliance with or strict performance of any of the terms or conditions hereof, or to take advantage of any of its rights hereunder, shall not constitute a waiver or relinquishment of any such terms, conditions or rights, but the same shall be and remain at all times in full force and effect. Notwithstanding anything expressed or implied herein to the contrary, nothing contained herein shall preclude either Party from pursuing any available remedies for breaches not rising to the level of a Default, including recovery of damages caused by the breach of this Agreement and specific performance or any other remedy given under this Agreement or now or hereafter existing in law or equity or otherwise. Seller acknowledges that money damages may not be an adequate remedy for violations of this Agreement and that Buyer may, in its sole discretion, seek and obtain from a court of competent jurisdiction specific performance or injunctive or such other relief as such court may deem just and proper to enforce this Agreement or to prevent any

violation hereof. Seller hereby waives any objection to specific performance or injunctive relief. The rights granted herein are cumulative.

Section 14.17 Relationship of the Parties. This Agreement shall not be interpreted to create an association, joint venture or partnership between the Parties hereto or to impose any partnership obligation or liability upon either such Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as an agent or representative of, the other Party.

Section 14.18 Third Party Beneficiaries. This Agreement shall not be construed to create rights in, or to grant remedies to, any third party as a beneficiary of this Agreement or any duty, obligation or undertaking established herein.

Section 14.19 Damage or Destruction; Insurance; Condemnation; Limit of Liability.

(a) **Damage or Destruction.** In the event of any damage or destruction of the Facility or any part thereof, Seller shall apply any applicable proceeds of Insurance directly related to such damage or destruction to cause the Facility or such part thereof to be diligently repaired, replaced or reconstructed by Seller so that the Facility or such part thereof shall be restored to substantially the same general condition and use as existed prior to such damage or destruction, unless a different condition or use is approved by the Buyer. Proceeds of Insurance with respect to such damage or destruction maintained as provided in this Agreement shall be applied to the payment for such repair, replacement or reconstruction of the damage or destruction.

(b) **Insurance.** Seller shall obtain and maintain the Insurance in accordance with Appendix F.

(c) **Limitation of Liability.** Except to the extent included in the liquidated damages, indemnification obligations related to third party claims or other specific charges expressly provided for herein, neither Party hereunder shall be liable for special, incidental, exemplary, indirect, punitive or consequential damages arising out of a Party's performance or non-performance under this Agreement, whether based on or claimed under contract, tort (including such Party's own negligence) or any other theory at law or in equity.

Section 14.20 Severability. In the event any of the terms, covenants or conditions of this Agreement, or the application of any such terms, covenants or conditions, shall be held invalid, illegal or unenforceable by any court having jurisdiction, all other terms, covenants and conditions of this Agreement and their application not adversely affected thereby shall remain in force and effect, provided that the remaining valid and enforceable provisions materially retain the essence of the Parties' original bargain.

Section 14.21 Confidentiality.

(a) Each Party agrees, and shall use reasonable efforts to cause its parent, subsidiary and Affiliates, and its and their respective directors, officers, employees and representatives, to keep confidential, except as required by law, all documents, data, drawings, studies, projections, plans and other written information that relate to economic benefits to or

amounts payable by either Party under this Agreement, and, with respect to documents, that are clearly marked "Confidential" at the time a Party shares such information with the other Party or, if orally disclosed, clearly identified as "Confidential" at the time a Party shares such information with the other Party ("*Confidential Information*"). The provisions of this Section 14.21 shall survive and shall continue to be binding upon the Parties for period of one (1) year following the date of termination of this Agreement. Notwithstanding the foregoing, information shall not be considered Confidential Information if such information (i) is disclosed with the prior written consent of the originating Party, (ii) was in the public domain prior to disclosure or is or becomes publicly known or available other than through the action of the receiving Party in violation of this Agreement, (iii) was lawfully in a Party's possession or acquired by a Party outside of this Agreement, which acquisition was not known by the receiving Party to be in breach of any confidentiality obligation, or (iv) is developed independently by a Party based solely on information that is not considered confidential under this Agreement.

(b) Either Party may, without violating this Section 14.21, disclose matters that are made confidential by this Agreement:

(i) to its counsel, accountants, auditors, advisors, other professional consultants, credit rating agencies, actual or prospective, co-owners, investors, lenders, underwriters, contractors, suppliers, and others involved in operation and financing transactions and arrangements for a Party or its subsidiaries, affiliates, or parent;

(ii) to governmental officials and parties involved in any proceeding in which either Party is seeking a permit, certificate, or other regulatory approval or order necessary or appropriate to carry out this Agreement; and

(iii) to governmental officials or the public as required by any law, regulation, order, rule, order, ruling or other Requirement of Law, including oral questions, discovery requests, subpoenas, civil investigations or similar processes and laws or regulations requiring disclosure of financial information, information material to financial matters, and filing of financial reports.

(c) If a Party is requested or required, pursuant to any applicable law, regulation, order, rule, order, ruling or other Requirement of Law, discovery request, subpoena, civil investigation or similar process to disclose any of the Confidential Information, such Party shall provide prompt written notice to the other Party of such request or requirement so that at such other Party's expense, such other Party can seek a protective order or other appropriate remedy concerning such disclosure.

(d) Notwithstanding the foregoing or any other provision of this Agreement, Seller acknowledges that Buyer and Buyer's Members, as California municipal corporations or public agencies, are subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§ 6250 et seq. ("*CPRA*") and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950 et seq. ("*Brown Act*"). Confidential Information of Seller provided to Buyer pursuant to this Agreement shall become the property of Buyer and Buyer's Members and Seller acknowledges that Buyer and Buyer's Members shall not be in breach of this Agreement or have any liability whatsoever under this Agreement or otherwise for any claims or causes of action whatsoever

resulting from or arising out of Buyer's or Buyer's Members copying or releasing to a third party any of the Confidential Information of Seller as required pursuant to the CPRA or Brown Act. Notwithstanding the foregoing or any other provision of this Agreement, Buyer may record, register, deliver and file all such notices, statements, instruments and other documents as may be necessary or advisable to render fully valid, perfected and enforceable under all applicable law the credit support contemplated by this Agreement and the Buyer Ancillary Documents and Seller Ancillary Documents and the rights, Liens and priorities of Buyer with respect to such credit support.

(e) If Buyer receives a CPRA request for Confidential Information of Seller, and Buyer determines that such Confidential Information is subject to disclosure under the CPRA, then Buyer shall notify Seller of the request and its intent to disclose the documents. Buyer shall cooperate with Seller as permitted under the CPRA to protect any Confidential Information of Seller. Buyer, as required by the CPRA, shall release such documents unless the Seller timely obtains a court order prohibiting such release. If Seller, at its sole expense, chooses to seek a court order prohibiting the release of Confidential Information pursuant to a CPRA request, then Buyer shall, only if authorized under the CPRA, delay release of the Confidential Information until Seller has had the opportunity to seek such court order, and Seller undertakes and agrees to defend, indemnify and hold harmless Buyer from and against all suits, claims, and causes of action brought against Buyer for Buyer's refusal to disclose Confidential Information of Seller to any person making a request pursuant to CPRA. Seller's indemnity obligations shall include, but are not limited to, all actual costs incurred by Buyer, and specifically including costs of experts and consultants, as well as all damages or liability of any nature whatsoever arising out of any such suits, claims, and causes of action brought against Buyer, through and including any appellate proceedings. Seller's obligations to Buyer under this indemnification provision shall be due and payable on a monthly, on-going basis within thirty (30) days after each submission to Seller of Buyer's invoices for all fees and costs incurred by Buyer, as well as all damages or liability of any nature.

Section 14.22 Mobile-Sierra. Notwithstanding any provision of this Agreement, neither Party shall seek, nor shall they support any third party in seeking, to prospectively or retroactively revise the rates, terms or conditions of service of this Agreement through application or complaint to FERC pursuant to the provisions of Section 205, 206 or 306 of the Federal Power Act, or any other provisions of the Federal Power Act, absent prior written agreement of the Parties. Further, absent the prior agreement in writing by both Parties, the standard of review for changes to the rates, terms or conditions of this Agreement proposed by a Party, a non-Party or the FERC acting sua sponte shall be the "public interest" application of the "just and reasonable" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 US 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 US 348 (1956).

Section 14.23 Taxpayer Identification Number (TIN). Seller declares that its authorized TIN is 65-0887804. No payment will be made under this Agreement without a valid TIN number.

Section 14.24 Service Contract and Forward Contract.

(a) The Parties intend that this Agreement will qualify as a "service contract" as such term is used in Section 7701(e) of the United States Internal Revenue Code of 1986.

(b) The Parties acknowledge and agree that this Agreement constitutes a "Forward Contract" within the meaning of the United States Bankruptcy Code.

Section 14.25 Buyer's Business Policies.

(a) Recycling Policy.

(i) Buyer supports the use of recycled-content products of all types. Recycled-content products help conserve natural resources, including water and energy, and reduce demands upon landfills.

(ii) To the extent feasible, Seller shall submit all written documents on paper with a minimum of thirty percent (30%) post-consumer recycled content. Existing company/corporate letterhead and/or stationery that accompanies these documents is exempt from this requirement. Documents of two (2) or more pages in length shall be duplex-copied (double-sided pages). Neon or fluorescent paper shall not be used in any written documents submitted to Buyer.

(b) Non-Discrimination/Equal Employment Practices/Affirmative Action Construction & Non-Construction Agreements.

(i) During the performance of this Agreement, Seller shall not discriminate in its employment practices against any employee or applicant for employment because of race, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition. All subcontracts awarded by Seller under this Agreement shall contain a like nondiscrimination provision. The applicable provisions of Executive Order No. 11246 of September 24, 1965; Part 60-741 of 41 Code of Federal Regulations pertaining to handicapped workers, including 60-741.4 Affirmative Action Clause; and Sections 10.8 to 10.13 of the Los Angeles Administrative Code ("*LAAC*") pertaining to nondiscrimination in employment in the performance of City of Los Angeles contracts are incorporated herein by reference and made a part hereof as if they were fully set forth herein.

(ii) Any of the above-mentioned subcontracts shall be effective for twelve (12) months following the date of approval for the Affirmative Action practices. An Affirmative Action plan shall be in effect and on file with Buyer for the duration of this Agreement.

(iii) Seller agrees to complete the forms attached to Appendix K related to the Non-Discrimination/Equal Employment Practices, Affirmative Action Plan, and any certifications attached thereto.

(c) Small Business Enterprise (“SBE”) and Disabled Veteran Business Enterprise (“DVBE”) Opportunity Program.

(i) It is the policy of Buyer to provide SBEs, DVBEs, Disadvantaged Business Enterprises (“DBEs”), Women Business Enterprises (“WBEs”), Minority Business Enterprises (“MBEs”), and all Other Business Enterprises (“OBEs”) an equal opportunity to participate in the performance of all Buyer contracts. Buyer’s goals for SBE/DVBE participation in performance of its contracts are twenty percent (25%) for SBEs and three percent (3%) for DVBEs. Seller shall assist Buyer in implementing this policy by taking all commercially reasonable steps to ensure that all available business enterprises, including SBEs and DVBEs, have an equal opportunity to compete for and participate in the work being requested by this Agreement.

(ii) Seller shall notify Buyer if Seller is a certified SBE, DVBE, DBE, WBE, or MBE. Seller shall provide to Buyer (A) the company name, contact person, address, and telephone number of each proposed Subcontractor that qualifies as an SBE, DVBE, DBE, WBE, or MBE, and (B) copies of all certifications of such Subcontractor as an SBE, DVBE, DBE, WBE, or MBE, as applicable.

(d) **Child Support Policy.** Seller and any of its subcontractor(s) shall fully comply with all applicable state and federal employment reporting requirements for Seller’s and any Seller’s subcontractor(s)’ employees. Seller and any of its subcontractor(s) shall fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with the California Family Code, to the extent applicable. Seller and any of its subcontractor(s) shall certify that the principal owner(s) thereof (which shall include any person who owns an interest of ten percent (10%) or more) are in compliance with any Wage and Earnings Assignment Orders or Notices of Assignment applicable to them personally. Seller and any of its subcontractor(s) shall certify that such compliance will be maintained throughout the term of this Agreement. Failure of Seller and/or any of its subcontractor(s) to fully comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignments or Notices of Assignment or failure of the principal owner(s) to comply with any Wage and Earnings Assignments or Notices of Assignment applicable to them personally shall constitute a Default under this Agreement. Failure of Seller and/or any of its subcontractor(s) or principal owner(s) thereof to cure the Default within ninety (90) days of notice of such Default by Buyer shall subject this Agreement to termination. Seller agrees to complete the forms attached to Appendix K related to the Child Support Policy and any certifications attached thereto.

(e) **Current Los Angeles City Business Tax Registration Certificate Required.** Seller shall obtain and keep in full force and effect during the term of this Agreement all Business Tax Registration Certificates required by the City of Los Angeles Business Tax Ordinance, Article 1, Chapter II, Section 21.00 and following, of the Los Angeles Municipal Code. Seller’s Vendor Registration Number must be shown on all invoices submitted for payment. Failure to do so, may delay payment. For additional information regarding applicability of the City Business Tax Registration, contact the City of Los Angeles Clerk’s Office at (213) 978-1521.

(f) **Equal Benefits Ordinance.** Seller agrees to comply with the requirements of the Equal Benefits Ordinance (“*EBO*”), codified at LAAC §10.8.2.1, and sign any required certifications related to such ordinance. Seller agrees to complete the form attached to Appendix K related to the EBO and any certifications attached thereto.

(g) **Contractor Responsibility Ordinance.** Seller agrees to comply with the requirements of the Contractor Responsibility Ordinance (“*CRO*”), codified at LAAC §10.40 *et seq.*, and sign any required certifications related to such ordinance. Seller agrees to complete the form attached to Appendix K related to the CRO and any certifications attached thereto.

(h) **Sweat-Free Procurement Ordinance.** Seller agrees to comply with the requirements of the Sweat-Free Procurement Ordinance (“*SFPO*”), codified at LAAC §10.43 *et seq.*, and sign any required certifications related to such ordinance. Seller agrees to complete the form attached to Appendix K related to the SFPO and any certifications attached thereto. In the case of impracticality in any provisions of the form due to the substitution of Buyer for the City of Los Angeles, Buyer will reasonably accommodate changes and/or substitutions in the requirements of the form as necessary to accomplish the purpose of the SFPO.

(i) **Los Angeles Municipal Lobbying Ordinance.** Seller agrees to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance if Seller qualifies as a lobbying entity under Los Angeles Municipal Code Section 48.02.

(j) **Iran Contracting Act of 2010.** Seller agrees to comply with the requirements of the Iran Contracting Act of 2010, codified in the California Public Contracts Code Section 2200 *et seq.*, and sign the “Iran Contracting Act of 2010 Compliance Affidavit” attached to Appendix K.

IN WITNESS WHEREOF, each Party was represented by legal counsel during the negotiation and execution of this Agreement and the Parties have executed this Agreement as of the dates set forth below effective as of the Effective Date.

SOUTHERN CALIFORNIA PUBLIC POWER
AUTHORITY

Date: _____

By: _____

FRED H. MASON
President

Attest: _____

BILL D. CARNAHAN
Assistant Secretary

ORMESA LLC

Date: February 11, 2016

By: Connie Stechman

Name: CONNIE STECHMAN
Title: ASSISTANT SECRETARY

Attest: _____

Name: Cynthia Alejandre
Title: Business Analyst

APPENDIX A
TO POWER PURCHASE AGREEMENT,
DATED AS OF MARCH 1, 2016
BETWEEN SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND ORMESA LLC

PAYMENT SCHEDULE

1. Energy Delivered Prior to Interim Delivery Period. If the Interim Delivery Period does not commence as of November 30, 2017, then the purchase price for Delivered Energy that is provided commencing on November 30, 2017 and continuing until the commencement of the Interim Delivery Period shall be: \$57.94 per MWh.

2. Monthly Delivered Energy Payment. The purchase price for Delivered Energy and Replacement Energy that is provided during the Interim Delivery Period and on or after the Delivery Commencement Date shall be: \$77.25 per MWh.

**APPENDIX B
TO POWER PURCHASE AGREEMENT,
DATED AS OF MARCH 1, 2016
BETWEEN SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND ORMESA LLC**

FACILITY, PERMITS, AND OPERATOR

1. **Name of Facility:** Ormesa Geothermal Complex Energy Project; Facility includes the following power generating plants:

Power Plant	Technology	Expected Status on Delivery Commencement Date	Gross MW
Ormesa 1	Binary Geothermal Plant Using Water-Cooled Ormat Energy Converter	Active	26.4
Ormesa 2	Binary Geothermal Plant Using Water-Cooled Ormat Energy Converter	Active	24
Ormesa 1E	Binary Geothermal Plant Using Water-Cooled Ormat Energy Converter	Idle	14.4
Ormesa 1H	Binary Geothermal Plant Using Water-Cooled Ormat Energy Converter	Idle	9.6
GEM 2	Water-Cooled Flash Steam Geothermal Plant	Idle	21.6
GEM 3	Water-Cooled Flash Steam Geothermal Plant	Idle	21.6
GEM Bottoming Unit	Bottoming Unit Using Water-Cooled Ormat Energy Converter that Generates Power using Effluent Brine Not Used by Flash Plants	Active	8

Seller may from time to time refurbish, repower, decommission or otherwise modify power plants and related property, equipment, facilities and improvements of the Facility using Prudent Utility Practices. Each such refurbishing, repowering, decommissioning or other modification shall comply with the applicable terms and provisions of the

Agreement and shall not impair Seller's ability to carry out its obligations under the Agreement. Seller shall not use any such refurbished, repowered, decommissioned, or otherwise modified power plants and related property, equipment, facilities and improvements for the purpose of making sales of electrical energy or capacity to third parties without the prior written consent of Buyer. For the avoidance of doubt, the Guaranteed Generation and Maximum Generation set forth in Appendix J will not be revised to reflect any such refurbishing, repowering, decommissioning or other modification of the Facility.

Facility Transmission Rights and Interests:

Seller's interconnection agreement with IID under IID's Open Access Transmission Tariff using IID's Transmission Services and Transmission System for delivery of Facility Energy to the Point of Delivery at Highline 92 kV Substation, and Seller's respective transmission services agreements with IID and WAPA using IID's Transmission Services and Transmission System and WAPA's Transmission Services and Transmission System, respectively, for delivery of Facility Energy to the Point of Delivery at Mead 230 kV Substation.

- | | |
|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Location: | Imperial County, California |
| Facility Site: | 3330 E. Evan Hewes Highway,
Holtville, CA |
| 2. Owner: | Ormesa LLC |
| 3. Operator: | Ormesa LLC or an Affiliate in
accordance with this Agreement |
| 4. Equipment: | |
| (a) Type of Facility: | Geothermal Electric Generation
Facility |
| (b) Capacity for Active Plants (as set
 forth in Section 1 above): | |
| Total Nominal Gross Nameplate Capacity: | as defined in <u>Section 1.1</u> herein |
| Total Nominal Capacity Net of Parasitic Load: | as defined in <u>Section 1.1</u> herein |
| 5. Interim Delivery Period: | Commencing upon Seller's
completion of all of the requirements
for Delivery Commencement, other
than clause (f) of the definition of
Delivery Commencement, and
continuing until the Delivery
Commencement Date |
| 6. Delivery Commencement Milestone Date: | January 1, 2018 |

7. Facility Geothermal Resource Leases and Rights of Way:

Lease #	Issuer	Held by	Acres	Date Issued*
CA-00964	BLM	Ormesa LLC	1,792	1-Sept-1974
CA-00966	BLM	Ormesa LLC	2,459	1-Aug-1974
CA-01903	BLM	Ormesa LLC	2,240	1-Sept-1974
CA-06217	BLM	Ormesa LLC	1,600	1-Jan-1982
CA-06218	BLM	Ormesa LLC	2,486	1-July-1979
CA-06219	BLM	Ormesa LLC	1,920	1-July-1979
CA-17568	BLM	Ormesa LLC	633	1-July-1979

* BLM lease terms may be extended as set forth in 43 C.F.R. Subpart 3207

ROW #	Issuer	Held by	Acres	Date Issued**
CA-22567	BLM	Ormesa LLC	6	28-July-1988
CA-26355	BLM	Ormesa LLC	34	11-May-1990
CA-25633	BLM	Ormesa LLC	6	15-June-1995
CA-25634	BLM	Ormesa LLC	13	31-May-1990
CA-26346	BLM	Ormesa LLC	13	31-May-1990
CA-17188	BLM	Ormesa LLC	34	5-May-1986
CA-22563	BLM	Ormesa LLC	26	28-July-1988
CA-22562	BLM	Ormesa LLC	24	5-July-1988
CA-20267	BLM	Ormesa LLC	12	22-July-1987
CA-26356	BLM	Ormesa LLC	5	11-May-1990
CA-25544	BLM	Ormesa LLC	14	27-Oct-1989

** BLM right of way terms may be extended as set forth in 43 C.F.R 43 Part 2800

8. Permits applicable under Section 2.1(g):

Agency	Permit	Permittee	Date Issued
	PRINCIPAL DISCRETIONARY PERMITS		
LOCAL/REGIONAL			
Imperial County Pollution Control District	Ormesa I Permit to Operate 1716	Ormesa LLC	1-Jan-2015
Imperial County Pollution Control District	Ormesa II Permit to Operate 1883	Ormesa LLC	1-Jan-2015
Imperial County Pollution Control District	GEM II & III Permit to Operate 2002I-3	Ormesa LLC	11-May-2015
	PRINCIPAL MINISTERIAL PERMITS		
LOCAL/REGIONAL			
Department of Toxic Substances Control	DTSC Program Certificate – Ormesa Geothermal I	Ormesa LLC	15-May-2015
Department of Toxic Substances Control	DTSC Program Certificate – Ormesa Geothermal II	Ormesa LLC	18-May-2015
California Regional Water Quality Control Board	Waste Discharge Order for Plant East Mesa Units 5 & 6, 00-101	Ormesa LLC	13-Sept-2000
FEDERAL			
Bureau of Land Management	Ormesa I Electric Power Plant Site License CACA 17129	Ormesa LLC	21-Aug-1985
Bureau of Land Management	Ormesa II Electric Power Plant Site License CACA 20172	Ormesa LLC	21-July-1987
Bureau of Land Management	Ormesa Gem II & III Electric Power Plant Site License CACA 22079	Ormesa LLC	24-July-1989
WELL PERMITS			
Bureau of Land Management	Well 16-30	Ormesa LLC	21-May-1980

Bureau of Land Management	Well 36-31	Ormesa LLC	30-June-1986
Bureau of Land Management	Well 38A-30	Ormesa LLC	02-Feb-2005
Bureau of Land Management	Well 54A-30	Ormesa LLC	27-Feb-2006
Bureau of Land Management	Well 56-30	Ormesa LLC	03-May-1977
Bureau of Land Management	Well 72-31	Ormesa LLC	24-Feb-1987
Bureau of Land Management	Well 76-31	Ormesa LLC	24-Mar-1987
Bureau of Land Management	Well 78-30	Ormesa LLC	01-July-1987
Bureau of Land Management	Well 88-31	Ormesa LLC	04-May-1987
Bureau of Land Management	Well 11-31	Ormesa LLC	07-June-1991
Bureau of Land Management	Well 16-29	Ormesa LLC	22-Oct-1975
Bureau of Land Management	Well 54-31	Ormesa LLC	18-Aug-1986
Bureau of Land Management	Well 34-30	Ormesa LLC	27-June-1989
Bureau of Land Management	Well 58-30	Ormesa LLC	23-June-1978
Bureau of Land	Well 52A-29	Ormesa LLC	14-Nov-2000

Management			
Bureau of Land Management	Well 76-30	Ormesa LLC	23-June-1978
Bureau of Land Management	Well 78-19	Ormesa LLC	25-Sept-1986
Bureau of Land Management	Well 56-29	Ormesa LLC	1996
Bureau of Land Management	Well 56-19	Ormesa LLC	15-June-1979
Bureau of Land Management	Well 14-5	Ormesa LLC	1987
Bureau of Land Management	Well 18-5	Ormesa LLC	1987
Bureau of Land Management	Well 45-6	Ormesa LLC	1987
Bureau of Land Management	Well 74-6	Ormesa LLC	27-July-1992
Bureau of Land Management	Well 58-6	Ormesa LLC	06-Dec-2004
Bureau of Land Management	Well 5-1	Ormesa LLC	1974
Bureau of Land Management	Well 71-1	Ormesa LLC	1987
Bureau of Land Management	Well 11-4	Ormesa LLC	21-May-1992
Bureau of Land Management	Well 32-5	Ormesa LLC	1988
Bureau of Land	Well 36-5	Ormesa LLC	1987

Management			
Bureau of Land Management	Well 21-6	Ormesa LLC	1987
Bureau of Land Management	Well 62-6	Ormesa LLC	1987

9. Additional permits required to achieve Delivery Commencement:

AGENCY	PERMIT
FEDERAL	
Federal Energy Regulatory Commission (FERC)	QF Certification

APPENDIX C
TO POWER PURCHASE AGREEMENT,
DATED AS OF MARCH 1, 2016
BETWEEN SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND ORMESA LLC

BUYER AND SELLER BILLING, NOTIFICATION AND SCHEDULING CONTACT
INFORMATION

1. **Authorized Representative.** Correspondence pursuant to Section 14.2 shall be transmitted to the following addresses:

1.1 If to Buyer:

Southern California Public Power Authority
c/o Executive Director
1160 Nicole Court
Glendora, CA 91740
Telephone: 626-793-9364
Facsimile: 626-793-9461
Email: bcarnahan@scppa.org

With a copy to:

Los Angeles Department of Water and Power
Attention: Manager of Power Contracts
RE: SCPPA Contract - Ormesa Geothermal Complex Energy Project
111 N. Hope Street, Room 1246
Los Angeles, California 90012

With a copy to:

Imperial Irrigation District
333 East Barioni Boulevard
Imperial, California 92251-1773
RE: SCPPA Contract – Ormesa Geothermal Complex Energy Project
Attention: Strategic Business Development
Telephone: (760) 482-3439
Facsimile: (760) 339-9249

1.2 If to Seller:

Ormesa LLC
6225 Neil Road
Reno, NV 89511
Attn: CEO

With a copy to: Ormesa Geothermal Complex - Asset Manager

Telephone: 775-356-9029
Facsimile: 775-356-9039
Email: AssetManager@ormat.com

2. Billings and payments pursuant to Article XI and Appendix A shall be transmitted to the following addresses:

2.1 If Billing to Buyer:

Southern California Public Power Authority
c/o Executive Director
1160 Nicole Court
Glendora, CA 91740
Attention: Accounts Payable
Email: kcrawford@scppa.org

With a copy to:

Los Angeles Department of Water and Power
Accounting Division – Accounts Payable Section
P. O. Box 51211
Room 424 JFB
RE: SCPPA Contract - Ormesa Geothermal Complex Energy Project
Los Angeles, California 90012

Imperial Irrigation District
Energy Accounting – Energy Settlement
333 East Barioni Boulevard
Imperial, California 92251-1773
RE: SCPPA Contract – Ormesa Geothermal Complex Energy Project
Telephone: (760) 339-9035
Email: vevaldez@IID.com

2.2 If Payment to Buyer:

Southern California Public Power Authority
c/o Executive Director
1160 Nicole Court
Glendora, CA 91740
Attention: Accounts Receivable
Email: kcrawford@scppa.org

With a copy to:

Los Angeles Department of Water and Power
Accounting Division – Accounts Payable Section
P. O. Box 51211

Room 424 JFB
Los Angeles, California 90012

RE: SCPPA Contract - Ormesa Geothermal Complex Energy Project

Imperial Irrigation District
Energy Accounting – Energy Settlement
333 East Barioni Boulevard
Imperial, California 92251-1773
RE: SCPPA Contract – Ormesa Geothermal Complex Energy Project
Telephone: (760) 339-9035
Email: vevaldez@IID.com

2.3. If Billing to Seller:

Ormesa LLC
6225 Neil Road
Reno, NV 89511
Attn: CEO
With a copy to: Ormesa Geothermal Complex– Asset Manager
Telephone: 775-356-9029
Facsimile: 775-356-9039
Email: AssetManager@ormat.com

2.4 If Payment to Seller:

Ormesa LLC
6225 Neil Road
Reno, NV 89511
Attn: Ormesa Geothermal Complex - Asset Manager
Telephone: 775-356-9029
Facsimile: 775-356-9039
Email: AssetManager@ormat.com

3. Unless otherwise specified by Buyer (for notices to Buyer) or Seller (for notices to Seller) all notices related to scheduling of the Facility shall be sent to the following address:

If to Buyer:

Southern California Public Power Authority
c/o Executive Director
1160 Nicole Court
Glendora, CA 91740
Attention: Steve Homer, Director of Project Administration; Katherine Ellis,
Senior Manager of Project Administration
Telephone: (626) 793-9364
Facsimile: (626) 793-9461
Email: shomer@scppa.org; kellis@scppa.org

With a copy to:

Los Angeles Department of Water and Power
Attention: Manager of Power Contracts
RE: SCPPA Contract - Ormesa Geothermal Complex Energy Project
111 N. Hope Street, Room 1246
Los Angeles, California 90012
Attention: Saifuddin Mogri, Manager, External Generation Contracts
RE: SCPPA Contract - Ormesa Geothermal Complex Energy Project
Telephone: (213) 367-0447
E-mail: Saifuddin.Mogri@ladwp.com

Imperial Irrigation District
333 East Barioni Boulevard
Imperial, California 92251-1773
RE: SCPPA Contract- Ormesa Geothermal Complex Energy Project
Attention: Strategic Business Development
Telephone: (760) 482-3439
Telephone (other) (760) 339-9249
Attention: Raquel L. Pena, Superintendent of Strategic Business
Email: rlpena@iid.com

If to Seller:

Ormesa LLC
3300 East Evan Hewes
Holtville, California
Attn: Michael Moore, Ormesa Geothermal Complex - Facility Manager
Telephone: 760-356-3020, ext. 41110
Facsimile: 760-356-3035
Email: Mmoore@ormat.com

APPENDIX D
TO POWER PURCHASE AGREEMENT,
DATED AS OF MARCH 1, 2016
BETWEEN SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND ORMESA LLC

FORM OF ATTESTATION

_____ (Seller) Environmental Attribute Attestation and Bill of Sale

_____ (“Seller”) hereby sells, transfers and delivers to the Southern California Public Power Authority (“Buyer”) the Environmental Attributes and Environmental Attribute Reporting Rights associated with the generation from the Facility described below:

Facility name and location:

Fuel Type:

Capacity (MW): _____ Operational Date:

As applicable: CEC Reg. no. _____ Energy Admin. ID no. _____ Q.F. ID no. _____

<u>Dates</u>	<u>MWhrs generated</u>
_____	_____
_____	_____
_____	_____

in the amount of one Environmental Attribute or its equivalent for each megawatt hour generated.

Seller further attests, warrants and represents as follows:

- i) the information provided herein is true and correct;
- ii) its sale to Buyer is its one and only sale of the Environmental Attributes and associated Environmental Attribute Reporting Rights referenced herein;
- iii) the Facility generated and delivered to the grid the Energy in the amount indicated as undifferentiated Energy; and
- iv) Seller owns the Facility and each of the Environmental Attributes and Environmental Attribute Reporting Rights associated with the generation of the indicated Energy for delivery to the grid have been generated and sold by the Facility.

This serves as a bill of sale, transferring from Seller to Buyer all of Seller’s right, title and interest in and to the Environmental Attributes and Environmental Attribute Reporting Rights associated with the generation of the Energy for delivery to the grid.

Contact Person: _____ tel: _____

APPENDIX E
TO POWER PURCHASE AGREEMENT,
DATED AS OF MARCH 1, 2016
BETWEEN SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND ORMESA LLC

FORM OF LETTER OF CREDIT

IRREVOCABLE AND UNCONDITIONAL STANDBY
LETTER OF CREDIT NO. _____

Applicant:

Beneficiary:

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

1160 Nicole Court
Glendora, CA 91740
Telephone: (626) 793-9364
Facsimile: (626) 793-9461

Amount:

Expiry Date:

Expiration Place:

Ladies and Gentlemen:

We hereby issue our Irrevocable Unconditional Documentary Letter of Credit in favor of the beneficiary by order and for the account of the applicant which is available at sight for USD \$XX,XXX,XXX by sight payment

- (a) upon presentation to us at our office at [bank's address],¹ of: (i) your written demand for payment containing the text of Exhibit I and (ii) your signed statement containing the text of Exhibit II; or
- (b) upon both your telephone or fax advice of demand to the attention of _____ at telephone and/or fax number _____ and presentation to us by fax of: (i) your written demand for payment containing the text of Exhibit I and (ii) your statement containing the text of Exhibit II.² Funds may be drawn

¹ Note to Issuer: The Letter of Credit must be payable in U.S. dollars within the continental U.S.

² Note to Issuer: If the office specified for presentation is outside of Los Angeles, California, alternative (b) must appear in the Letter of Credit when issued. If the office is in Los Angeles, California, alternative

under this Letter of Credit, from time to time, in one or more drawings, in amounts not exceeding in the aggregate the amount specified above.

Upon presentation to us in conformity with the foregoing, we will, on the next business day after such presentation (unless such presentation occurs after 3:00 p.m., Pacific Standard Time, on the day of such presentation, in which event payment will be made after the opening of business at the office specified above on the second business day), but without any other delay whatsoever, irrevocably and without reserve or condition: (a) if the office set forth above for presentation is in Los Angeles, California, pay to your order in the account at the bank designated by you in the demand, the full amount demanded by you in the same-day funds which are immediately available to you, or (b) if the office set forth above for presentation is not in Los Angeles, California, issue payment instructions to the Federal Reserve wire transfer system in proper form to transfer to the account at the bank designated by you in the demand, the full amount demanded by you in the same-day funds which are immediately available to you in Los Angeles, California. We agree that if, on the expiration date of this Letter of Credit, the office specified above is not (i) open for business by virtue of an interruption of the nature described in the Uniform Customs and Practices for Documentary Credits, Article 36, this Letter of Credit will be duly honored if the specified statements are presented by you within thirty (30) days after such office is reopened for business, or (ii) is not otherwise open for business, this Letter of Credit will be duly honored if the specified statements are presented by you within three (3) days after such office is reopened for business.

Payment hereunder shall be made regardless of: (a) any written or oral direction, request, notice or other communication now or hereafter received by us from the Applicant or any other person except you, including without limitation any communication regarding fraud, forgery, lack of authority or other defect not apparent on the face of the documents presented by you, but excluding solely an effective written order issued otherwise than at our instance by a court of competent jurisdiction, which order is legally binding upon us and specifically orders us not to make such payment; (b) the solvency, existence or condition, financial or other, of the Applicant or any other person or property from whom or which we may be entitled to reimbursement for such payment; and (c) without limiting clause (b) above, whether we are in receipt of or expect to receive funds or other property as reimbursement in whole or in part for such payment. We agree that we will not take any action to cause the issuance of an order described in clause (a) of the preceding sentence. We agree that the time set forth herein for payment of any demand(s) for payment is sufficient to enable us to examine such demand(s) and the related documents(s) referred to above with care so as to ascertain that on their face they appear to comply with the terms of this credit and that if such demand(s) and document(s) on their face appear to so comply, failure to make any such payment within such time shall constitute dishonor of such demand(s) and this credit.

The stated amount of this Letter of Credit may be increased or decreased, and the expiration date of this Letter of Credit may be extended, by an amendment to this Letter of Credit in the form of Exhibit III. Any such amendment shall become effective only upon acceptance by your signature on a hard copy amendment.

(b) may be included only if the bank establishes and maintains with Southern California Public Power Authority the necessary electronic arrangements.

You shall not be bound by any written or oral agreement of any type between us and the Applicant or any other person relating to this credit, whether now or hereafter existing.

We hereby engage with you that your demand(s) for payment in conformity with the terms of this credit will be duly honored as set forth above. All fees and other costs associated with the issuance of and any drawing(s) against this Letter of Credit shall be for the account of the Applicant. All of the rights of the Southern California Public Power Authority ("SCPPA") set forth above shall inure to the benefit of your successors. In this connection, in the event of a drawing made by a party other than SCPPA, such drawing must be accompanied by the following signed certification:

"The undersigned does hereby certify that _____ [drawer] _____ is the successor by operation of law to SCPPA, a beneficiary named in [name of Bank] Letter of Credit no. _____

[name and title]

Except so far as otherwise expressly stated herein, this documentary credit is subject to the "Uniform Customs and Practices for Documentary Credits," International Chamber of Commerce, in effect on the date of issuance of this credit.

Yours faithfully,
(name of issuing bank)

By _____
Title _____

EXHIBIT I
Demand for Payment

Re: Irrevocable and Unconditional Standby Letter of Credit
No. _____ Dated _____, 20__

To Whom It May Concern:

Demand is hereby made upon you for payment to us of \$ _____ by deposit to our account no. _____ at [insert name of bank]. This demand is made under, and is subject to and governed by, your Irrevocable and Unconditional Standby Letter of Credit no. _____ dated _____, 20__ in the amount of \$ _____ established by you in our favor for the account of _____ as the Applicant.

DATED: _____, 20__

SOUTHERN CALIFORNIA PUBLIC POWER
AUTHORITY

By _____
Title _____

EXHIBIT II
Statement

Re: Your Irrevocable and Unconditional Standby Letter of Credit
No. _____ Dated _____, 20_____

To Whom It May Concern:

Reference is made to your Irrevocable and Unconditional Standby Letter of Credit no. _____, dated _____, 20____ in the amount of \$ _____ established by you in our favor for the account of _____.

We hereby certify to you that \$ _____ is due and owing to us and unpaid under that certain [Describe Agreement].

DATED: _____, 20__.

SOUTHERN CALIFORNIA PUBLIC POWER
AUTHORITY

By _____
Title _____

EXHIBIT III
Amendment

Re: Irrevocable and Unconditional Standby Letter of Credit
No. _____ Dated _____, 20__

Beneficiary:

Southern California Public Power Authority
1160 Nichole Court
Glendora, CA 91740

Applicant:

To Whom It May Concern:

The above referenced Irrevocable and Unconditional Standby Letter of Credit is hereby amended as follows: by increasing / decreasing / leaving unchanged (*strike two*) the stated amount by \$ _____ to a new stated amount of \$ _____ or by extending the expiration date to _____ from _____. All other terms and conditions of the Letter of Credit remain unchanged.

This amendment is effective only when accepted by Southern California Public Power Authority, which acceptance may only be valid by a signature of an authorized representative.

Dated: _____

Yours faithfully,

(name of issuing bank)

By _____

Title _____

ACCEPTED

Southern California Public Power Authority

By _____

Title _____

Date _____

**APPENDIX F
TO POWER PURCHASE AGREEMENT,
DATED AS OF MARCH 1, 2016
BETWEEN SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND ORMESA LLC**

INSURANCE

I. GENERAL REQUIREMENTS

Prior to the start of work, but not later than thirty (30) days after the date of award of contract, Seller shall furnish Buyer evidence of coverage from insurers rated A VIII or higher by AM Best (for clauses II A - D below) and A- X (for clauses II F-G below) and in a form acceptable to the risk management section of the project manager for Buyer for this purpose. Such insurance shall be maintained by Seller at Seller's sole cost and expense.

Such insurance shall not limit or qualify the liabilities and obligations of Seller assumed under this Agreement. Buyer shall not by reason of its inclusion under these policies incur liability to the insurance carrier for payment of premium for these policies.

Any insurance carried by Buyer which may be applicable shall be deemed to be excess insurance and Seller's insurance is primary for all purposes despite any conflicting provision in Seller's policies to the contrary.

Said evidence of insurance shall contain a provision that the policy cannot be canceled or reduced in coverage or amount without first giving thirty (30) days prior notice thereof (ten (10) days for non-payment of premium) by registered mail to Executive Director, Southern California Public Power Authority, 1160 Nicole Court, Glendora, CA 91740.

Should any portion of the required insurance be on a "Claims Made" policy, Seller shall, at the policy expiration date following completion of work, provide evidence that the "Claims Made" policy has been renewed or replaced with the same limits, terms and conditions of the expiring policy, or that an extended discovery period has been purchased on the expiring policy at least for the contract under which the work was performed.

Seller shall be responsible for all subcontractors' compliance with the insurance requirements.

II. SPECIFIC COVERAGES REQUIRED

A. Commercial Automobile Liability

Seller shall provide Commercial Automobile Liability insurance which shall include coverages for liability arising out of the use of owned, non-owned, and hired vehicles for performance of the work as required to be licensed under the California or any other applicable state vehicle code. The Commercial Automobile Liability insurance shall

have not less than \$1,000,000.00 combined single limit per occurrence and shall apply to all operations of Seller.

The Commercial Automobile Liability policy shall include Buyer, its Board of Directors, its members, and their officers, agents, and employees while acting within the scope of their employment, as additional insureds with Seller, and shall insure against liability for death, bodily injury, or property damage resulting from the performance of this Agreement. The form of evidence of insurance shall be a Buyer Additional Insured Endorsement or an endorsement to the policy acceptable to Buyer's risk management agent.

B. Commercial General Liability

Seller shall provide Commercial General Liability insurance with Contractual Liability, Independent Contractors, Broad Form Property Damage, Premises and Operations, Products and Completed Operations, fire Legal Liability and Personal Injury coverages included. Such insurance shall provide coverage for total limits actually arranged by Seller, but not less than \$10,000,000.00 combined single limit per occurrence. Should the policy have an aggregate limit, such aggregate limits should not be less than double the Combined Single Limit. Umbrella or Excess Liability coverages may be used to supplement primary coverages to meet the required limits. Evidence of such coverage shall be on Buyer's Additional Insured Endorsement form or on an endorsement to the policy acceptable to the Buyer's risk management agent, and shall provide for the following:

1. Include Buyer and its officers, agents, and employees as additional insureds with the Named Insured for the activities and operations under this Agreement.
2. Severability-of-Interest or Cross-Liability Clause such as: "The policy to which this endorsement is attached shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the company's liability."
3. A description of the coverages included under the policy.

C. Excess Liability

Seller may use an Umbrella or Excess Liability Coverage to meet coverage limits specified in this Agreement. Seller shall require the carrier for Excess Liability to properly schedule and to identify the underlying policies as provided for Buyer on the Buyer Additional Insured Endorsement Form, or on an endorsement to the policy acceptable to Buyer's risk management agent. Such policy shall include, as appropriate, coverage for Commercial General Liability, Commercial Automobile Liability, Employer's Liability, or other applicable insurance coverages.

D. Workers' Compensation/Employer's Liability Insurance

Seller shall provide Workers' Compensation insurance covering all of Seller's employees in accordance with the laws of any state in which the work is to be performed and including Employer's Liability insurance and a Waiver of Subrogation in favor of Buyer. The limit for Employer's Liability coverage shall be not less than \$1,000,000.00 each accident and shall be a separate policy if not included with Workers' Compensation coverage. Evidence of such insurance shall be in the form of a Buyer Special Endorsement of insurance or on an endorsement to the policy acceptable to Buyer's risk management agent. Workers' Compensation/Employer's Liability exposure may be self-insured provided that Buyer is furnished with a copy of the certificate issued by the state authorizing Seller to self-insure. Seller shall notify Buyer's Risk Management Section by receipted delivery as soon as possible of the state withdrawing authority to self-insure.

F. Property All Risk Insurance

Seller shall procure and maintain an All Risk Physical Damage policy to insure the full replacement value of the property located at Facility as described in this Agreement. The policy shall include coverage for expediting expense, extra expense, Business Interruption, ensuing loss from faulty workmanship, faulty materials, or faulty design.

APPENDIX G
TO POWER PURCHASE AGREEMENT,
DATED AS OF MARCH 1, 2016
BETWEEN SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND ORMESA LLC

FORM OF GUARANTEE

This Guarantee dated as of [] is made by [] (the "*Guarantor*") in favor of SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY, a joint powers authority created under the laws of the State of California (the "*Beneficiary*").

ARTICLE ONE

Section 1.01 Guarantee.

(a) For valuable consideration in connection with [identify PPA and other Seller Ancillary Documents as appropriate, as each may hereafter be amended, supplemented or otherwise modified from time to time, collectively, the "*Guaranteed Contract*"] with (Counterparty/Seller name and description to the underlying Guaranteed Contract, the "*Counterparty*") subject to the terms and conditions set forth herein and effective from the date herein, the Guarantor irrevocably and unconditionally guarantees to the Beneficiary, its successors and permitted assigns, the prompt payment on demand, in lawful money of the United States, of any amount due and payable to the Beneficiary arising out of or under the Guaranteed Contract, when the same shall become due, whether at stated maturity, by acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code) subject to any applicable grace period thereunder and the prompt and proper performance by the Counterparty of all of its other obligations to the Beneficiary pursuant to the Guaranteed Contract (collectively, the "*Guaranteed Obligations*"). This is a guarantee of payment and performance and not merely a guarantee of collection, and the Guarantor is liable as a primary obligor for the amounts and other obligations due hereunder. The Beneficiary shall make demands for payment or performance hereunder, as the case may be, by providing the Guarantor with written notice as provided below, and the Guarantor shall make payments or perform, as the case may be, within five (5) business days after receipt of any such notice. The Guarantor shall make each payment to the Beneficiary in U.S. Dollars in immediately available funds as directed by the Beneficiary.

(b) The obligations of Guarantor hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full in cash and performance of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, Guarantor agrees that: (a) Beneficiary may enforce this Guarantee upon the occurrence and during the continuance of a default or early termination event under the Guaranteed Contracts notwithstanding the existence of any dispute between Counterparty and Beneficiary with respect to the existence of such event; (b) the obligations of Guarantor hereunder are independent of the obligations of Counterparty under the Guaranteed Contracts and the obligations of any other guarantor of obligations of Counterparty and a separate action or

actions may be brought and prosecuted against Guarantor whether or not any action is brought against Counterparty or any of such other guarantors and whether or not Counterparty is joined in any such action or actions; and (c) Guarantor's payment or performance of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge Guarantor's liability for any portion of the Guaranteed Obligations that has not been paid or performed. This Guarantee is a continuing guaranty and shall be binding upon Guarantor and its successors and assigns, and Guarantor irrevocably waives any right (including any such right arising under California Civil Code Section 2815) to revoke this Guarantee as to future transactions giving rise to any Guaranteed Obligations.

(c) Any interest on any portion of the Guaranteed Obligations that accrues after the commencement of any proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of Counterparty (or, if interest on any portion of the Guaranteed Obligations ceases to accrue by operation of law by reason of the commencement of said proceeding, such interest as would have accrued on such portion of the Guaranteed Obligations if said proceeding had not been commenced) shall be included in the Guaranteed Obligations because it is the intention of Guarantor and Beneficiary that the Guaranteed Obligations should be determined without regard to any rule of law or order that may relieve Counterparty of any portion of such Guaranteed Obligations.

(d) Upon the failure of Counterparty to pay or perform any of the Guaranteed Obligations when and as the same shall become due, Guarantor will upon demand pay, or cause to be paid, in cash, to Beneficiary an amount equal to the aggregate of the unpaid Guaranteed Obligations, or perform any such outstanding Guaranteed Obligations, as the case may be.

(e) This Guarantee shall terminate only upon the full satisfaction of the Guaranteed Obligations. If, notwithstanding the foregoing, Guarantor shall have any non-waivable right under applicable law or otherwise to terminate or revoke this Guarantee, Guarantor agrees that the termination or revocation shall not be effective until a written notice of the termination or revocation is received by Beneficiary and shall not affect the rights and powers of Beneficiary to enforce rights arising prior to receipt of the notice. Any rights arising out of advances or actions by Beneficiary after Guarantor's termination or revocation but prior to receipt of the requisite notice shall be the same as if the termination or revocation had not occurred.

Section 1.02 Guarantee Absolute.

(a) To the extent required hereunder, the Guaranteed Obligations will be paid strictly in accordance with the terms of the Guaranteed Contract, regardless of any bankruptcy or other law affecting any of such terms or the rights of the Beneficiary with respect thereto. The Guarantor's obligations under this Guarantee shall not be impaired by any increase, reduction, extension, rearrangement or subordination of the Guaranteed Obligations, any amendment, supplement, or other modification of the Guaranteed Contracts, any grant or impairment of any security or support for the Guaranteed Obligations, the failure to give notice of any default or event of default, however denominated, under the Guaranteed Contracts or of the bringing of action to enforce the payment or performance of the Guaranteed Obligations or any other notice

of any kind relating to the Guaranteed Obligations, or any other action which affects the Guaranteed Obligations.

(b) Guarantor further agrees that, to the extent that the Counterparty or the Guarantor makes a payment or payments to the Beneficiary which payment or payments or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, or required to be repaid to the Counterparty or the Guarantor or their respective estate, trustee, receiver, or any other party under any bankruptcy law, state or federal law, common law, or equitable cause, then to the extent of such payment or repayment, this Guarantee and the advances or part thereof which have been paid, reduced, or satisfied by such amount shall be reinstated and continued in full force and effect as of the date such initial payment, reduction, or satisfaction occurred.

ARTICLE TWO

Section 2.01. Severability.

(a) In case any one or more of the provisions of this Guarantee shall for any reason be held to be illegal or invalid by a court of competent jurisdiction, it is the intention of each of the parties to this Guarantee that such illegality or invalidity shall not affect any other provision hereof, but this Guarantee shall be construed or enforced as if such illegal or invalid provision had not been contained herein unless such a court holds that such provisions are not separable from other provisions of this Guarantee.

(b) The obligations hereunder are joint and several, and independent of the obligations of Counterparty, and a separate action or actions may be brought and prosecuted against Guarantor, whether or not action is brought against Counterparty or whether or not Counterparty is joined in any such action or actions.

ARTICLE THREE

Section 3.01. Guarantor's Warranties.

Guarantor makes the following representations and warranties to Beneficiary:

(a) (i) this Guarantee is executed at Beneficiary's request; (ii) Guarantor has not and will not without prior written consent of Beneficiary, sell, lease, assign, encumber, hypothecate, transfer or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; and (iii) Guarantor has adequate means of obtaining from Counterparty on a continuing basis financial and other information pertaining to Counterparty's financial condition without relying on Beneficiary therefor;

(b) Guarantor agrees to keep adequately informed from such means of any facts, events or circumstances which Guarantor consider material or which might in any way affect Guarantor's risks hereunder. With respect to information or material acquired in the normal course of Beneficiary's relationship with Counterparty, Guarantor agrees that Beneficiary shall have no obligation to disclose such information or material to Guarantor;

(c) Guarantor is a [_____], duly organized, validly existing and in good standing under the laws of the State of [_____], and has the legal power and authority to own its properties, to carry on its business as now being conducted and to enter into this Guarantee and effect the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Guarantee;

(d) the execution, delivery and performance by Guarantor of this Guarantee and has been duly authorized by all necessary action, and do not and will not require any consent or approval of Guarantor's managing member or equity holders or other Person other than that which has been obtained;

(e) the execution and delivery of this Guarantee and the fulfillment of and compliance with the provisions of this Guarantee do not and will not conflict with or constitute a breach of or a default under, any of the terms, conditions or provisions of any federal, state and local laws, statutes, regulations, rules, codes or ordinances enacted, adopted, issued or promulgated by any federal, state, local or other governmental authority, or any organizational documents, agreement, deed of trust, mortgage, loan agreement, other evidence of indebtedness or any other agreement or instrument to which Guarantor is a party or by which it or any of its property is bound, or result in a breach of or a default under any of the foregoing or result in or require the creation or imposition of any lien or encumbrance upon any of the properties or assets of Guarantor; and

(f) this Guarantee constitutes the legal, valid and binding obligation of Guarantor enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws relating to or affecting the enforcement of creditors' rights generally or by general equitable principles, regardless of whether such enforceability is considered in a proceeding in equity or at law.

ARTICLE FOUR

Section 4.01. Waivers.

(a) It shall not be necessary for the Beneficiary, in order to enforce this Guarantee, to exhaust the Beneficiary's remedies against the Counterparty, to enforce any security or support for the payment or performance of the Guaranteed Obligations, or to enforce any other means of obtaining payment or performance of the Guaranteed Obligations. The Guarantor waives any rights under applicable state law related to the foregoing. Until irrevocable payment in full and performance of the Guaranteed Obligations, the Guarantor will not exercise any right of subrogation (including any statutory rights of subrogation under Section 509 of the Bankruptcy Code, 11 U.S.C. § 509, or under applicable state law) or any right to participate in any claim or remedy of the Beneficiary against the Counterparty, but this standstill is not intended as a permanent waiver of the subrogation rights of the Guarantor. To the extent permitted by law, Guarantor waives the benefit of any statute of limitations affecting its liability hereunder or the enforcement thereof, and agrees that any payment of any obligation or other act which shall toll any statute of limitations applicable to the obligation shall also operate to toll such statute of limitations applicable to Guarantor's liability hereunder. The liability of Guarantor hereunder shall be reinstated and revived and the rights of Beneficiary shall continue with respect to any amount paid by Counterparty on account of the obligations guaranteed

hereby, which shall thereafter be required to be restored or returned by Beneficiary upon the bankruptcy, insolvency or reorganization of Counterparty or for any other reason, all as though such amount had not been paid. The Guarantor hereby waives notice of acceptance of this Guarantee and notice of any obligation or liability to which it may apply, and waives presentment, demand for payment or performance, protest, notice of dishonor or non-payment or non-performance of any such obligation or liability, suit or the taking of other action by Beneficiary against, and any other notice to, the Counterparty, the Guarantor or others. Any other suretyship defenses are hereby waived by the Guarantor. This Guarantee and the obligations of Guarantor hereunder shall be valid and enforceable and shall not be subject to any limitation, impairment or discharge for any reason (other than payment in full in cash and performance of the Guaranteed Obligations). The Beneficiary shall not be required to inquire into the capacity or powers of Guarantor or Counterparty or the officers, directors or any agents acting or purporting to act on behalf of any of them.

(b) In addition to the foregoing, Guarantor specifically waives:

(i) any right to require Beneficiary to (A) proceed against any person, including Counterparty; (B) proceed against or exhaust any collateral held from Counterparty, and other endorser or guarantor or any other person; (C) give notice of terms, time and place of any public or private sale of personal property or real property security held from Counterparty or comply with any other provisions of Section 9504 of the California Uniform Commercial Code or sections 2924 through 2924k of the California Civil Code, to the extent allowed by law; (D) pursue any other remedy in Beneficiary's power; or (E) make any presentments, demands for performance, or give any notices of nonperformance, protests, notices of protests or notices of dishonor in connection with any obligations or evidences of indebtedness held by Beneficiary as security, in connection with any obligations or evidences of indebtedness which constitute in whole or in part the obligations guaranteed hereunder, or in connection with the creation of new or additional obligations;

(ii) in accordance with Section 2856 of the California Civil Code, any and all rights and defenses available to it by reason of Sections 2787 to 2855, inclusive, of the California Civil Code;

(iii) any defense arising by reason of (A) the incapacity, lack of authority or any disability or other defense of Counterparty, any other endorser or guarantor or any other person, including any defense based on or arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of Counterparty from any cause other than payment in full in cash and performance of the Guaranteed Obligations; (B) the cessation from any cause whatsoever, other than payment and performance in full of the obligations of Counterparty, of the liability of Counterparty, any endorser or guarantor or any other person; (C) the application by Counterparty of the proceeds of any obligations for purposes other than the purpose represented by Counterparty to Beneficiary or intended or understood by Beneficiary or Guarantor; (D) any act or omission by Beneficiary which directly or indirectly results in or aids the discharge of Counterparty or any obligations by operation of law or otherwise; (E) any

modification of the obligations, in any form whatsoever, including any modification made after revocation hereof to any obligations incurred prior to such revocation, and including the renewal, extension, acceleration or other change in time for payment of the obligations, or other change in the terms of the obligations or any part thereof, including increase or decrease of the rate of interest thereon; (F) any defense based upon (i) any principles or provisions of law, statutory or otherwise which provide that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal or that are or might be in conflict with the terms of this Guarantee and any legal or equitable discharge of Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set-offs, recoupments and counterclaims, and (iv) promptness, diligence and any requirement that Beneficiary protect, secure, perfect or insure any Lien or any property subject thereto; (G) any defense based upon Beneficiary's errors or omissions in the administration of the Guaranteed Obligations, except behavior that amounts to bad faith; (H) any defense based upon notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance of this Guarantee, notices of default or early termination under the Guaranteed Contracts or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Guaranteed Obligations or any agreement related thereto and notices of any extension of credit to Counterparty; and (I) to the fullest extent permitted by law, any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms of this Guarantee;

(iv) any right to enforce any remedy which Beneficiary now has or may hereafter have against Counterparty, any other endorser or guarantor or any other person, and waives any benefit of, or any right to participate in any security whatsoever now or hereafter held by Beneficiary, and waives any rights or benefits which Guarantor might have under California Code of Civil Procedure Sections 580a and 726 (limiting the amount of any deficiency judgment to the difference between the amount of any indebtedness owed and the greater of the fair value of the security or the amount for which the security was actually sold), 580b (barring deficiencies with respect to real property purchase money obligations), and 580d (barring recovery of a deficiency judgment after real property security is sold under a power of private sale) as from time to time amended and Guarantor shall have no right of subrogation;

(v) all rights and defenses arising out of an election of remedies by the Beneficiary, even though that election of remedies, such as a non-judicial foreclosure with respect to security for a guaranteed obligation, has destroyed the Guarantor's rights of subrogation and reimbursement against the Counterparty by operation of Section 580d of the California Code of Civil Procedure or otherwise;

(vi) waives all rights and defenses that the Guarantor may have because the Counterparty's debt is secured by real property, which shall allow the Beneficiary to collect from the Guarantor without first foreclosing on any real or personal property collateral pledged by the Counterparty and, if the Beneficiary forecloses on any real property collateral pledged by the Counterparty (A) the amount of the debt may be

reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price; and (B) the Beneficiary may collect from the Guarantor even if the Beneficiary, by foreclosing on the real property collateral, has destroyed any right the Guarantor may have to collect from the Counterparty. The waiver contained in this Section 4.01(b)(vi) is an unconditional and irrevocable waiver of any rights and defenses the Guarantor may have because the Counterparty's debt is secured by real property. These rights and defenses include, but are not limited to, any rights or defenses based upon Sections 580a, 580b, 580d or 726 of the California Code of Civil Procedure.

Section 4.02. Guarantor's Understandings With Respect To Waivers.

(a) Guarantor warrants and agrees that Guarantor has had all necessary opportunity to secure any advice which Guarantor desires with respect to each of the waivers set forth above, that such waivers are made with Guarantor's full knowledge of its significance and consequences, and that under the circumstances, the waivers are reasonable and not contrary to public policy or law.

(b) Guarantor acknowledges that Guarantor would or might have a defense to enforcement of this Guarantee if, in the absence of an effective waiver or authorization by Guarantor, Beneficiary were to take any of the actions or exercise any of the remedies (i) that are otherwise authorized by Guarantor herein or (ii) that are described in Sections 4.01 and 4.02 and as to which Guarantor waives any defenses. Without limiting the foregoing, in the absence of an effective waiver, Beneficiary's foreclosure against real property security by power of sale under Section 580d of the California Code of Civil Procedure would destroy Guarantor's subrogation and reimbursement rights against Counterparty and would thus provide Guarantor with a defense to Beneficiary's enforcement of this Guarantee. It is Guarantor's intention in executing this Guarantee to waive all such defenses, including the defense described in the preceding sentence, in advance.

(c) Until the Guaranteed Obligations are satisfied in full, Guarantor shall withhold exercise of (a) any claim, right or remedy, direct or indirect, that Guarantor now has or may hereafter have against Counterparty or any of its assets in connection with this Guarantee or the performance by Guarantor of its obligations hereunder, in each case whether such claim, right or remedy arises in equity, under contract, by statute (including under California Civil Code Section 2847, 2848 or 2849), under common law or otherwise and including (i) any right of subrogation, reimbursement or indemnification that Guarantor now has or may hereafter have against Counterparty, (ii) any right to enforce, or to participate in, any claim, right or remedy that Beneficiary now has or may hereafter have against Counterparty, and (iii) any benefit of, and any right to participate in, any collateral or security now or hereafter held by Beneficiary and (b) any right of contribution Guarantor now has or may hereafter have against any other guarantor of any of the Guaranteed Obligations. Guarantor further agrees that, to the extent the agreement to withhold the exercise of its rights of subrogation, reimbursement, indemnification and contribution as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation, reimbursement or indemnification Guarantor may have against Counterparty or against any collateral or security, and any rights of contribution Guarantor may have against any such other guarantor, shall be junior and

subordinate to any rights Beneficiary may have against Counterparty, to all right, title and interest Beneficiary may have in any such collateral or security, and to any right Beneficiary may have against such other guarantor.

(d) Notwithstanding the foregoing, all waivers in this Guarantee shall be effective only to the extent permitted by law.

Section 4.03. Beneficiary's Rights With Respect To Guarantor's Property. In addition to all liens upon, and rights of setoff against the moneys, securities or other property of Guarantor given to Beneficiary by law, Beneficiary shall have a lien upon and a right of setoff against all moneys, securities or other property of Guarantor now or hereafter in possession of or on deposit with Beneficiary, whether held in a general or special account or deposit, or for safekeeping or otherwise, and every such lien and right of setoff may be exercised without demand upon or notice to Guarantor. No lien or right of setoff shall be deemed to have been waived by any act or conduct on the part of Beneficiary, or by any neglect to exercise such right to setoff or to enforce such lien, or by any delay in so doing, and every right of setoff and lien shall continue in full force and effect until such right of setoff or lien is specifically waived or released by any instrument in writing executed by Beneficiary.

Section 4.04. Subordination of Counterparty's Debts to Guarantor. Any obligation of Counterparty now or hereafter held by Guarantor is hereby subordinated in right of payment to the Guaranteed Obligations, and any such obligation of Counterparty to Guarantor collected or received by Guarantor after a default or early termination event has occurred and is continuing, and any amount paid to Guarantor on account of any subrogation, reimbursement, indemnification or contribution rights referred to in the preceding paragraph when all Guaranteed Obligations have not been paid in full, shall be held in trust for Beneficiary and shall forthwith be paid over to Beneficiary to be credited and applied against the Guaranteed Obligations. Such obligation of Counterparty to Guarantor is assigned to Beneficiary as security for this Guarantee and the obligation and, if Beneficiary requests, shall be collected and received by Guarantor, as trustee for Beneficiary and paid over to Beneficiary on account of the obligation of Counterparty to Beneficiary but without reducing or affecting in any manner the liability of Guarantor under the other provisions of this Guarantee. Any such notes now or hereafter evidencing such obligation of Counterparty to Guarantor shall be marked with a legend that the same are subject to this Guarantee, and, if Beneficiary so requests, shall be delivered to Beneficiary. Guarantor will, and Beneficiary is hereby authorized, in the name of Guarantor from time to time to execute and file financing statements and continuation statements and execute such other documents and take such other action as Beneficiary deems necessary or appropriate to perfect, preserve and enforce its rights hereunder.

Section 4.05 Waiver of Authentication of Validity of Certain Acts. Where any one or more of Counterparties are corporations, partnerships, or limited liability companies it is not necessary for Beneficiary to inquire into the power of Counterparties or the officers, directors, partners, managers, members or agents acting or purporting to act in their behalf, and any obligations made or created in reliance upon the professed exercise of such power shall be guaranteed hereunder.

Section 4.06. Authorizations To Beneficiary. Guarantor authorizes Beneficiary, without notice or demand and without affecting its liability hereunder, from time to time to (a) renew, extend, accelerate or otherwise change the time for payment or performance of, or otherwise change the terms of the obligations or any part thereof, including increase or decrease of the rate of interest thereon; (b) take and hold security for the payment or performance of this Guarantee or the obligations guaranteed, and exchange, enforce, waive and release any such security; (c) apply such security and direct the order or manner of sale thereof, including a non-judicial sale permitted by the terms of the controlling security agreement or deed of trust, as Beneficiary in its discretion may determine; and (d) release or substitute any one or more of the endorsers or guarantors of any obligations. Beneficiary may without notice assign this Guarantee in whole or in part.

ARTICLE FIVE

5.01. *Miscellaneous.*

(a) All notices and other communications between the Guarantor and the Beneficiary provided for in this Guarantee shall be in writing, including facsimile, and delivered or transmitted to the addresses set forth below, or to such other address as shall be designated by the Guarantor in written notice to the other party.

If to the Guarantor:

[Guarantor Name]

[Guarantor Address]

Attn: Chief Financial Officer

Telephone:

Facsimile:

If to the Beneficiary:

Southern California Public Power Authority

1160 Nicole Court

Glendora, CA 91740

Attn: Executive Director

Telephone: 626 793-9364

Facsimile: 626 793-9461

(b) This Guarantee was made and entered into in the City of Glendora, California and shall be governed by, interpreted and enforced in accordance with the laws of the State of California, without regard to conflict of law principles. All litigation arising out of, or relating to this Guarantee, shall be brought in a state or federal court in the County of Los Angeles in the State of California. The Guarantor hereby irrevocably agrees to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of forum non conveniens.

(c) The provisions of this Guarantor may be waived or amended only in writing signed by both the Guarantor and Beneficiary. This Guarantee shall bind and inure to the benefit of the Guarantor and the Beneficiary and their respective successors and permitted assigns,

including without limitation, the trustee, but neither party may assign its rights under this Guarantee without the prior written consent of the other party. The Guarantor may not assign its rights nor delegate its obligations under this Guarantee, in whole or in part, without prior written consent of the Beneficiary, and any purported assignment or delegation absent such consent is void.

(d) The rights, powers and remedies given to Beneficiary by this Guarantee are cumulative and shall be in addition to and independent of all rights, powers and remedies given to Beneficiary by virtue of any statute or rule of law or in the Guaranteed Contracts or any agreement between Guarantor and Beneficiary or between Counterparty and Beneficiary. Any forbearance or failure to exercise, and any delay by Beneficiary in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

(e) Guarantor hereby agrees that in any dispute relating to this Guarantee, each party shall be responsible for its own attorneys' fees and costs. Each of Guarantor and Beneficiary was represented by its respective legal counsel during the negotiation and execution of this Guarantee.

Executed as of the date first above written.

[GUARANTOR]

By: _____

Name: _____

Title: _____

APPENDIX H
TO POWER PURCHASE AGREEMENT,
DATED AS OF MARCH 1, 2016
BETWEEN SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND ORMESA LLC

QUALITY ASSURANCE PROGRAM

Seller shall implement a Quality Assurance (“Q/A”) Program to ensure that the operation of the Facility fulfills the requirements of this Agreement. The Q/A Program shall provide assurance that purchasing, manufacturing, shipping, storage, and examination of all equipment, materials, services and maintenance of the Facility will comply with the requirements of this Agreement, all applicable Requirements of Law and the manufacturers or suppliers requirements for successful operation of the Facility.

Quality at Seller

Seller believes that quality is the unit of measure for assessing fulfillment of project goals. A quality project meets or exceeds the contract requirements and accepted standards of professional and industry practice. Furthermore, high quality projects are those that address client and societal needs more successfully than “low” quality projects. While this may seem like a straightforward definition, the process to ensure quality is much more involved and includes quality management, quality planning, quality control, quality assurance, a quality system, and total quality management.

“Quality assurance” refers to a process that reduces the potential for error throughout the phases of a project. On projects with a Q/A Program, the chances of producing a poor quality deliverable are substantially reduced. Quality control procedures are an integral part of quality assurance. Historically, industry has used the term “quality control” to indicate a checking procedure for verifying the quality of deliverables. This checking commonly occurs at the end of the process, long after an error may have been made and compounded by subsequent work. While quality control checks at the end of a project are an essential exercise, scheduled periodic reviews at each phase are integral to Seller’s Q/A Program. In addition, quality maintenance which meet or exceed manufacturers’ or suppliers’ requirements and best industry practices must be an integral part of Seller’s Q/A Program.

The Quality Management Process

The surest way to achieve satisfactory quality is to adhere to a proven quality process. The term “quality” most accurately refers to a project’s ability to satisfy needs when considered as a whole and each part of the process meets or exceeds the standards of Prudent Utility Practices.

Seller project management team is responsible for proactively planning and directing the quality of the work process, services, and deliverables. Seller’s project management team utilizes a written maintenance manual for the Facility for the duration of the commercial operation that complies with the maintenance manuals of the manufacturers and suppliers from whom the Seller has purchased equipment or material and best industry practices.

Quality Assurance During Commercial Operations

[To Be Supplied by Seller]

APPENDIX I
 TO POWER PURCHASE AGREEMENT,
 DATED AS OF MARCH 1, 2016
 BETWEEN SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
 AND ORMESA LLC

MILESTONE SCHEDULE

<i>Footnote Number</i>	<i>Milestone Date</i>	<i>Seller Milestones</i>
1	10/1/17	Deliver executed copies of all Transmission Service Agreements and the interconnection agreement with IID
2	11/30/17	Deliver copies of Facility Geothermal Resource Leases and Facility Rights of Way and all other leases, licenses, rights of way and easements of the Facility.
3	11/30/17	Deliver executed copy of a renewed or a new water supply agreement with IID extending at least through the term of the Agreement
4	11/30/17	Obtain and deliver all Permits listed in <u>Appendix B, Section 9</u> , including evidence that Facility is CEC Certified
5	1/1/18	Achieves Delivery Commencement

All of the documents listed below in Footnotes shall be provided by Seller to Buyer by the Milestone Date for the Milestone shown above.

Footnotes:

1. Seller shall have provided Buyer with fully executed copies of the Transmission Service Agreements with Transmission Providers and the interconnection agreement with Transmission Provider at the Highline 92 kV Substation.
2. Seller shall have provided Buyer with copies of the Facility Geothermal Resource Leases, Facility Rights of Way and all other leases, licenses, rights of way and easements of the Facility.
3. Seller shall have provided Buyer with a fully executed copy of the renewed or a new water supply agreement extending at least through the term of the Agreement.
4. Seller shall have provided Buyer with documentation evidencing that all Permits, Leases and rights of way listed in Appendix B have been obtained, including evidence that the Facility is CEC Certified.
5. Seller shall have provided written notice to Buyer certifying that the Facility satisfies the definition of Delivery Commencement in Article I of this Agreement.

APPENDIX J
TO POWER PURCHASE AGREEMENT

DATED AS OF MARCH 1, 2016

BETWEEN

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

AND

ORMESA LLC

GUARANTEED GENERATION AND
MAXIMUM GENERATION
TABLE

	Guaranteed Generation (MWh)			Maximum Generation (MWh)		
	Mead POD or Alternate POD	Highline POD	Total	Mead POD or Alternate POD	Highline POD	Total
Interim Delivery Period*	20,736	3,456	24,192	28,569	4,762	33,331

Contract Year	Guaranteed Generation (MWh)			Maximum Generation (MWh)		
	Mead POD or Alternate POD	Highline POD	Total	Mead POD or Alternate POD	Highline POD	Total
1	236,520	39,420	275,940	325,872	54,312	380,184
2	235,337	39,223	274,560	324,243	54,040	378,283
3	234,160	39,027	273,187	322,622	53,770	376,392
4	232,989	38,832	271,821	321,009	53,501	374,510
5	231,825	38,637	270,462	319,403	53,234	372,637
6	230,666	38,444	269,110	317,806	52,968	370,774
7	229,512	38,252	267,764	316,217	52,703	368,920
8	228,364	38,061	266,425	314,636	52,439	367,075
9	227,223	37,870	265,093	313,063	52,177	365,240
10	226,087	37,681	263,768	311,498	51,916	363,414
11	224,956	37,493	262,449	309,940	51,657	361,597
12	223,832	37,305	261,137	308,391	51,398	359,789
13	222,712	37,119	259,831	306,849	51,141	357,990
14	221,599	36,933	258,532	305,314	50,886	356,200
15	220,491	36,748	257,239	303,788	50,631	354,419
16	219,388	36,565	255,953	302,269	50,378	352,647
17	218,291	36,382	254,673	300,758	50,126	350,884

18	217,200	36,200	253,400	299,254	49,876	349,130
19	216,114	36,019	252,133	297,758	49,626	347,384
20	215,033	35,839	250,872	296,269	49,378	345,647
21	213,958	35,660	249,618	294,788	49,131	343,919
22	212,889	35,481	248,370	293,313	48,886	342,199
23	211,824	35,304	247,128	291,847	48,641	340,488
24	210,765	35,127	245,892	290,388	48,398	338,786
25	209,711	34,952	244,663	288,936	48,156	337,092

Footnote:

* These values assume the Interim Delivery Period commences on November 30, 2017 and ends on December 31, 2017. If the Interim Delivery Period starts or ends on a date other than these assumed dates, then the Guaranteed Generation for the Interim Delivery Period will be the product of 648 MWh and the number of days in the Interim Delivery Period at the Point of Delivery at the 230kV Mead Substation and the product of 108 MWh and the number of days in the Interim Delivery Period at the Point of Delivery at the Highline 92 kV Substation (total 756 MWh/day) and the Maximum Generation for the Interim Delivery Period will be the product of 892 MWh and the number of days in the Interim Delivery Period at the Point of Delivery at the 230kV Mead Substation and the product of 149 MWh and the number of days in the Interim Delivery Period at the Point of Delivery at the Highline 92 kV Substation (total 1,041 MWh/day).

APPENDIX K

TO POWER PURCHASE AGREEMENT

DATED AS OF MARCH 1, 2016

BETWEEN

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

AND

ORMESA LLC

BUSINESS POLICY FORMS

K

CITY OF LOS ANGELES

NONDISCRIMINATION • EQUAL EMPLOYMENT PRACTICES CONSTRUCTION & NON- CONSTRUCTION CONTRACTOR

Los Angeles Administrative Code (LAAC), Division 10, Chapter 1, Article 1, Section 10.8 stipulates that the City of Los Angeles, in letting and awarding contracts for the provision to it or on its behalf of goods or services of any kind or nature, intends to deal only with those contractors that comply with the non-discrimination and Affirmative Action provisions of the laws of the United States of America, the State of California and the City of Los Angeles. The City and each of its awarding authorities shall therefore require that any person, firm, corporation, partnership or combination thereof, that contracts with the City for services, materials or supplies, shall not discriminate in any of its hiring or employment practices, shall comply with all provisions pertaining to nondiscrimination in hiring and employment, and shall require Affirmative Action Programs in contracts in accordance with the provisions of the LAAC. The awarding authority and/or Office of Contract Compliance of the Department of Public Works shall monitor and inspect the activities of each such contractor to determine that they are in compliance with the provisions of this chapter.

I. Los Angeles Administrative Code Section 10.8.2 All Contracts: Non-discrimination Clause

Notwithstanding any other provision of any ordinance of the City of Los Angeles to the contrary, every contract which is let, awarded or entered into with or on behalf of the City of Los Angeles, shall contain by insertion therein a provision obligating the contractor in the performance of such contract not to discriminate in his or her employment practices against any employee or applicant for employment because of the applicant's race, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition. All contractors who enter into such contracts with the City shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.

II. Los Angeles Administrative Code Section 10.8.3. Equal Employment Practices Provisions

Every non-construction contract with or on behalf of the City of Los Angeles for which the consideration is \$1,000 or more, and every construction contract for which the consideration is \$1,000 or more, shall contain the following provisions, which shall be designated as the **EQUAL EMPLOYMENT PRACTICES** provision of such contract:

A. During the performance of this contract, the contractor agrees and represents that it will provide equal employment practices and the contractor and each subcontractor hereunder will ensure that in his or her employment practices persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

1. This provision applies to work or service performed or materials manufactured or assembled in the United States.
2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
3. The contractor agrees to post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.

B. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

C. As part of the City's supplier registration process, and/or at the request of the awarding authority, or the Board of Public Works, Office of Contract Compliance, the contractor shall certify in the specified format that he or she has not discriminated in the performance of City contracts against any employee or applicant for employment on the basis or because of race, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.

D. The contractor shall permit access to and may be required to provide certified copies of all of his or her records pertaining to employment and to employment practices by the awarding authority or the Office of Contract Compliance for the purpose of investigation to ascertain compliance with the Equal Employment Practices provisions of City contracts. On their or either of their request the contractor shall provide evidence that he or she has or will comply therewith.

E. The failure of any contractor to comply with the Equal Employment Practices provisions of this contract may be deemed to be a material breach of City contracts. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to the contractor.

F. Upon a finding duly made that the contractor has failed to comply with the Equal Employment Practices provisions of a City contract, the contract may be forthwith canceled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, such failure to comply may be the basis for a determination by the awarding authority or the Board of Public Works that the said contractor is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Charter of the City of Los Angeles. In the event of such a determination, such contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until the contractor shall establish and carry out a program in conformance with the provisions hereof.

G. Notwithstanding any other provision of this contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

H. The Board of Public Works shall promulgate rules and regulations through the Office of Contract Compliance, and provide necessary forms and required language to the awarding authorities to be included in City Request for Bids or Request for Proposal packages or in supplier registration requirements for the implementation of the Equal Employment Practices provisions of this contract, and such rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive orders. No other rules, regulations or forms may be used by an awarding authority of the City to accomplish the contract compliance program.

I. Nothing contained in this contract shall be construed in any manner so as to require or permit any act which is prohibited by law.

J. At the time a supplier registers to do business with the City, or when an individual bid or proposal is submitted, the contractor shall agree to adhere to the Equal Employment Practices specified herein during the performance or conduct of City Contracts.

K. Equal Employment Practices shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

- 1 Hiring practices;
- 2 Apprenticeships where such approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
- 3 Training and promotional opportunities; and
- 4 Reasonable accommodations for persons with disabilities.

L. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.

Equal Employment Practices Provisions Certification – The Contractor by its signature affixed hereto declares under penalty of perjury that:

1. The Contractor has read the Nondiscrimination Clause in Section I above and certifies that it will adhere to the practices in the performance of all contracts.
2. The Contractor has read the Equal Employment Practices Provisions as contained in Section II above and certifies that it will adhere to the practices in the performance of any construction contract or non-construction contract of \$1,000 or more.

Ormesa LLC
COMPANY NAME

Connie Stechman
AUTHORIZED SIGNATURE

6225 Neil Road
ADDRESS

Connie Stechman, Assistant Secretary
NAME AND TITLE (TYPE OR PRINT)

Reno, Washoe, NV 89511
CITY, COUNTY, STATE, ZIP

775-356-9029 / cstechman@ormesa.com
TELEPHONE/F-MAIL

City of Los Angeles
Department of Public Works
Bureau of Contract Administration
Office of Contract Compliance
1149 S. Broadway, Suite 300, Los Angeles, CA 90015
Phone: (213) 847-2625 E-mail: bca.eeoe@lacity.org

**AFFIRMATIVE ACTION PLAN
NON-CONSTRUCTION CONTRACTOR**

The following contracts are subject to the City of Los Angeles Affirmative Action Program as required by the Los Angeles Administrative Code (LAAC) Section 10.8.4 et seq.:

- Every non-construction contract of \$100,000 or more;
- Every construction contract of \$5,000 or more.

Purpose - An affirmative action program is a management tool designed to ensure equal employment opportunity. A central premise underlying affirmative action is that, absent discrimination, over time a contractor's workforce, generally, will reflect the gender, racial and ethnic profile of the available labor pools. Therefore, as part of its affirmative action program, a contractor monitors and examines its employment decisions and compensation systems to ensure equal employment practices, and takes steps to correct underutilization of women and minorities.

Contractors are subject to all provisions contained in LAAC Section 10.8.4 et seq. which can be found at <http://bca.lacity.org>. The excerpts below are provided to serve as a starting point for satisfying these requirements:

LAAC Section 10.8.4 (B) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

LAAC Section 10.8.4(K) The plan shall be subject to approval by the Office of Contract Compliance prior to award of the contract.

LAAC Section 10.8.4(M) The Affirmative Action Plan required to be submitted shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

1. Apprenticeship where approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
2. Classroom preparation for the job when not apprenticeable;
3. Pre-apprenticeship education and preparation;
4. Upgrading training and opportunities;
5. Encouraging the use of contractors, subcontractors, and suppliers of all racial and ethnic groups, provided, however that any contract subject to this ordinance shall require the contractor, subcontractor or supplier to provide not less than the prevailing wage;
6. The entry of qualified women, minority and all other journeymen into the industry; and
7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.

LAAC Section 10.8.4(Q) All contractors subject to the provisions of the section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor.

CONTRACTOR DECLARATION

In pursuit of accomplishing the intent of the City's Affirmative Action Program, the contractor certifies and agrees to immediately implement good faith efforts, measures to recruit and employ minority, women, and other potential staff in a nondiscriminatory manner including, but not limited to, the following actions. The contractor shall:

- (a) Recruit and make efforts to obtain such employees.
- (b) Continually evaluate personnel practices to assure that hiring, upgrading, promotions, transfers, demotions and layoffs are made in a nondiscriminatory manner so as to achieve and maintain a diverse work force.
- (c) Utilize training programs and assist minority, women and other employees in locating, qualifying for and engaging in such training programs to enhance their skills and advancement.
- (d) Maintain such records as are necessary to determine compliance with equal employment and affirmative action obligations, and make such records available to City, State and Federal authorities upon request.
- (e) Said policies shall be provided to all employees, subcontractors, vendors, unions and all others with whom the contractor may become involved in fulfilling any of its contracts.

By its execution hereof, the contractor accepts and submits the foregoing as its Affirmative Action Plan. I certify under penalty of perjury under the laws of the State of California that I have read and understood the foregoing requirements of LAAC Section 10.8 et seq. and agree to comply with them while under contract as set forth therein.

Executed this 11th day of February in the year 2016 at

Reno NV
(City) (State)

Oremesa LLC
COMPANY NAME

775-356-9029
TELEPHONE/E-MAIL

Connie Stechman
AUTHORIZED SIGNATURE

6225 Neil Road
ADDRESS

Connie Stechman
Assistant Secretary
NAME AND TITLE (TYPE OR PRINT)

Reno, Washoe, NV 89511
CITY, COUNTY, STATE, ZIP

City of Los Angeles
Department of Water and Power

CERTIFICATION OF COMPLIANCE WITH CHILD SUPPORT
OBLIGATIONS

This document must be returned with the Proposal/Bid Response

The Undersigned hereby agrees that Ormesa LLC will:
Name of Business

1. Fully comply with all applicable State and Federal employment reporting requirements for its employees.
2. Fully comply with and implement all lawfully served Wages and Earnings Assignment Orders and Notices of Assignment.
3. Certify that the principal owner(s) of the business are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally. "Principal owner" means any person who owns an interest of 10 percent or more of the business or of a subcontractor assigned to City work. If there are no principal owners, please so indicate with an X here: ___ (no principal owners)
4. Certify that the business will maintain compliance with Child Support Obligations Ordinance provisions.

I declare under penalty of perjury that the foregoing is true and was executed at:

Reno, Washoe, NV
City/County/State

February 11, 2016
Date

Please check if company has already submitted to DWP certification relative to Child Support Obligations Ordinance.

Ormesa LLC 6225 Neil Road, Reno, NV 89511
Name of Business Address

Connie Stechman CONNIE STECHMAN
Signature of Authorized Officer or Representative Print Name

Assistant Secretary 775-356-9029
Title Telephone Number

City of Los Angeles
Department of Public Works
Bureau of Contract Administration
Office of Contract Compliance
1149 S. Broadway, Suite 300, Los Angeles, CA 90015
Phone: (213) 847-2625 – Fax: (213) 847-2777

EQUAL BENEFITS ORDINANCE COMPLIANCE AFFIDAVIT

Your company must certify compliance with Los Angeles Administrative Code Section 10.8.2.1, *et seq.*, Equal Benefits Ordinance (EBO), prior to the execution of a City agreement the value of which exceeds \$5,000.

SECTION 1. CONTACT INFORMATION

Project Name: Ormesa Geothermal Complex Energy Project BAVN ID # _____
Company Name: Ormesa LLC
Company Address: 6225 NEIL ROAD
City: RENO State: NV Zip: 89511
Contact Person: CONNIE STECHMAN Phone: 775-356-9029 E-mail: cstechman@ormat.com
Approximate Number of Employees in the United States: 0
Approximate Number of Employees in the City of Los Angeles: 0

SECTION 2. EBO REQUIREMENTS

The EBO requires City Contractors who provide benefits to employees with spouses provide the same benefits to employees with domestic partners. Domestic Partner means any two adults, of the same or different sex, who have registered as domestic partners with a governmental entity pursuant to state or local law authorizing this registration or with an internal registry maintained by the employer of at least one of the domestic partners.

Unless otherwise exempt, the contractor is subject to and shall comply with the EBO as follows:

- A. A contractor's operations located within the City limits, regardless of whether there are employees at those locations performing work on the City Contract.
- B. A contractor's operations on real property located outside of the City limits if the property is owned by the City or the City has a right to occupy the property, and if the contractor's presence at or on the property is connected to a Contract with the City.
- C. The Contractor's employees located elsewhere in the United States, but outside of the City Limits if those employees are performing work on the City Contract.

A Contractor must post a copy of the following statement in conspicuous places at its place of business available to employees and applicants for employment:

"During the performance of a Contract with the City of Los Angeles, the Contractor will provide equal benefits to its employees with spouses and its employees with domestic partners."

SECTION 3. COMPLIANCE OPTIONS

I have read and understand the provisions of the Equal Benefits Ordinance and Rules and Regulations and have determined that compliance shall be effectuated as indicated below:

- I have previously contracted with the City of Los Angeles, been determined to be in compliance with the EBO, and have NOT altered my benefits programs as they relate to providing equal coverage to an employee's spouse/domestic partner.
- I have no employees.
- I provide no benefits.
- I provide benefits to employees only. Employees are prohibited from enrolling their spouse or domestic partner.
- I provide equal benefits in accordance with the City of Los Angeles EBO.
- I provide employees a "Cash Equivalent" in accordance with EBO Regulation #4.
- All or some employees are covered by a collective bargaining agreement (CBA) or union trust fund. Consequently, I will provide Equal Benefits to all non-union represented employees, subject to the EBO, and will propose to the affected unions that they incorporate the requirements of the EBO into their CBA upon amendment, extension, or other modification of the CBA (Refer to Regulation #4).
- Health benefits currently provided do not comply with the EBO. However, I will make the necessary changes to provide Equal Benefits upon my next Open Enrollment period which begins (Date)_____.

SECTION 4. DECLARATION UNDER PENALTY OF PERJURY

I understand that I am required to permit the City of Los Angeles access to and upon request, must provide certified copies of all company records pertaining to benefits, policies and practices for the purpose of investigation or to ascertain compliance with the Equal Benefits Ordinance. Furthermore, I understand that failure to comply may be deemed a material breach of any City contract by the Awarding Authority; the Awarding Authority may cancel, terminate or suspend in whole or in part, the contract; monies due or to become due under a contract may be retained by the City until compliance is achieved. The City may also pursue any and all other remedies at law or in equity for any breach. The City may use the failure to comply with the Equal Benefits Ordinance as evidence against the Contractor in actions taken pursuant to the provisions of the Los Angeles Administrative Code Section 10.40, et seq., Contractor Responsibility Ordinance.

Ormesa LLC will comply with the Equal Benefits Ordinance requirements
Company Name

as indicated above prior to executing a contract with the City of Los Angeles and will comply for the entire duration of the contract(s).

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

Executed this 11th day of FEBRUARY in the year 2016 at RENO NV
(City) (State)

Connie Stechman
Signature

6225 Neil Road
Mailing Address

Connie Stechman
Name of Signatory (please print)

RENO, NV 89511
City, State, Zip Code

Assistant Secretary
Title

65-0887804
EIN/TIN

**CITY OF LOS ANGELES
PLEDGE OF COMPLIANCE WITH CONTRACTOR RESPONSIBILITY ORDINANCE**

Los Angeles Administrative Code (LAAC) Section 10.40 et seq. (Contractor Responsibility Ordinance) provides that, unless specifically exempt, City contractors working under service contracts of at least \$25,000 and three months, contracts for services and for purchasing goods and products that involve a value in excess of twenty-five thousand dollars (\$25,000) and a term in excess of three months are covered by this Article; and construction contracts of any amount; public lessees; public licensees; and certain recipients of City financial assistance or City grant funds, shall comply with all applicable provisions of the Ordinance. Upon award of a City contract, public lease, public license, financial assistance or grant, the contractor, public lessee, public licensee, City financial assistance recipient, or grant recipient, and any its subcontractor(s), shall submit this Pledge of Compliance to the awarding authority.

The contractor agrees to comply with the Contractor Responsibility Ordinance and the following provisions:

- (a) To comply with all federal, state, and local laws in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws, which affect employees.
- (b) To notify the awarding authority within 30 calendar days after receiving notification that any governmental agency has initiated an investigation which may result in a finding that the contractor did not comply with any federal, state, or local law in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws, which affect employees.
- (c) To notify the awarding authority within 30 calendar days of all findings by a governmental agency or court of competent jurisdiction that the contractor has violated any federal, state, or local law in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees.
- (d) If applicable, to provide the awarding authority, within 30 calendar days, updated responses to the Responsibility Questionnaire if any change occurs which would change any response contained within the Responsibility Questionnaire and such change would affect the contractor's fitness and ability to continue the contract.
- (e) To ensure that subcontractors working on the City agreement (including contractors or subcontractors of a public lessee, licensee, sublessee, or sublicensee that perform or assist in performing services on the leased or licensed premises) shall comply with all federal, state, and local laws in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws, which affect employees.
- (f) To ensure that subcontractors working on the City agreement (including contractors or subcontractors of a public lessee, licensee, sublessee, sublicensee that perform or assist in performing services on the leased or licensed premises) submit a Pledge of Compliance.
- (g) To ensure that subcontractors working on the City agreement (including contractors or subcontractors of a public lessee, licensee, sublessee, or sublicensee that perform or assist in performing services on the leased or licensed premises) shall comply with paragraphs (b) and (c).

Failure to complete and submit this form to the Awarding Authority may result in withholding of payments by the City Controller, or contract termination.

Ormosa LLC 6225 Neil Road, Reno, NV 89511 775-356-9029
Company Name, Address and Phone Number

Connie Stechman
Signature of Officer or Authorized Representative

February 11, 2016
Date

CONNIE STECHMAN, ASSISTANT SECRETARY
Print Name and Title of Officer or Authorized Representative

Awarding City Department

Contract Number

NOTICE: Responses to this Questionnaire will not be made available to the public for review.
This is not a public document. [CPCC §20101(a)]

**CITY OF LOS ANGELES
RESPONSIBILITY QUESTIONNAIRE**

RESPONSES TO THE QUESTIONS CONTAINED IN THIS QUESTIONNAIRE MUST BE SUBMITTED ON THIS FORM.
In responding to the Questionnaire, neither the City form, nor any of the questions contained therein, may be retyped, recreated, modified, altered, or changed in any way, in whole or in part. Bidders or Proposers that submit responses on a form that has been retyped, recreated, modified, altered, or changed in any way shall be deemed non-responsive.

The signatory of this Questionnaire guarantees the truth and accuracy of all statements and answers to the questions herein. Failure to complete and return this questionnaire, any false statements, or failure to answer (a) question(s) when required, may render the bid/proposal non-responsive. All responses must be typewritten or printed in ink. Where an explanation is required or where additional space is needed to explain an answer, use the Responsibility Questionnaire Attachments. Submit the completed form and all attachments to the awarding authority. Retain a copy of this completed form for future reference. Contractors must submit updated information to the awarding authority if changes have occurred that would render any of the responses inaccurate in any way. Updates must be submitted to the awarding authority within 30 days of the change(s).

A. INFORMATION

Ormesa Geothermal Complex Energy Project
Bid Number and Project Title

BIDDER/CONTRACTOR INFORMATION

Ormesa LLC
Bidder/Proposer Business Name Contractor's License Number

6225 Neil Road RENO NV 89511
Street Address City State Zip

Connie Stechman 775-356-9029 775-356-9039
Contact Person, Title Phone Fax

CERTIFICATION UNDER PENALTY OF PERJURY

I certify under penalty of perjury under the laws of the State of California that I have read and understand the questions contained in this questionnaire and the responses contained herein and on all Attachments. I further certify that I have provided full and complete answers to each question, and that all information provided in response to this Questionnaire is true and accurate to the best of my knowledge and belief.

The Questionnaire being submitted is: (check one)

- An initial submission of a completed Questionnaire.
- An update of a prior Questionnaire dated ____/____/____. A copy of the prior Questionnaire and newly updated information are attached.
- No change. There has been no change to any of the responses since the last Responsibility Questionnaire dated ____/____/____ was submitted. A copy of the last Responsibility Questionnaire is attached.

Connie Stechman, Assistant Secretary Connie Stechman February 11, 2016
Print Name, Title Signature Date

TOTAL NUMBER OF PAGES SUBMITTED, INCLUDING ALL ATTACHMENTS: 9

B. BUSINESS ORGANIZATION/STRUCTURE

Indicate the organizational structure of your firm. "Firm" includes a sole proprietorship, corporation, joint venture, consortium, association, or any combination thereof.

Corporation: Date incorporated: ___/___/___ State of incorporation: _____
List the corporation's current officers.

President: _____

Vice President: _____

Secretary: _____

Treasurer: _____

Check the box only if your firm is a publicly traded corporation.
List those who own 5% or more of the corporation's stocks. Use Attachment A if more space is needed.
Publicly traded corporations need not list the owners of 5% or more of the corporation's stocks.

Limited Liability Company: Date of formation: 12 / 16 / 2002 State of formation: Delaware
List members who own 5% or more of the company. Use Attachment A if more space is needed.

Dermat Funding LLC - 100%

Partnership: Date formed: ___/___/___ State of formation: _____
List all partners in your firm. Use Attachment A if more space is needed.

Sole Proprietorship: Date started: ___/___/___
List any firm(s) that you have been associated with as an owner, partner, or officer for the last five years.
Use Attachment A if more space is needed. Do not include ownership of stock in a publicly traded company in your response to this question.

Joint Venture: Date formed: ___/___/___
List: (1) each firm that is a member of the joint venture and (2) the percentage of ownership the firm will have in the joint venture. Use Attachment A if more space is needed. Each member of the Joint Venture must complete a separate Questionnaire for the Joint Venture's submission to be considered as responsive to the invitation.

C. OWNERSHIP AND NAME CHANGES

1. Is your firm a subsidiary, parent, holding company, or affiliate of another firm?

Yes No

If Yes, explain on Attachment A the relationship between your firm and the associated firms. Include information about an affiliated firm only if one firm owns 50% or more of another firm, or if an owner, partner or officer of your firm holds a similar position in another firm.

2. Has any of the firm's owners, partners, or officers operated a similar business in the past five years?

Yes No

If Yes, list on Attachment A the names and addresses of all such businesses, and the person who operated the business. Include information about a similar business only if an owner, partner or officer of your firm holds a similar position in another firm.

3. Has the firm changed names in the past five years?

Yes No

If Yes, list on Attachment A all prior names, addresses, and the dates they were used. Explain the reason for each name change in the last five years.

4. Are any of your firm's licenses held in the name of a corporation or partnership?

Yes No

If Yes, list on Attachment A the name of the corporation or partnership that actually holds the license.

Bidders/Contractors must continue on to Section D and answer all remaining questions contained in this Questionnaire.

D. FINANCIAL RESOURCES AND RESPONSIBILITY

5. Is your firm now, or has it ever been at any time in the last five years, the debtor in a bankruptcy case?

Yes No

If Yes, explain on Attachment B the circumstances surrounding each instance.

6. Is your company in the process of, or in negotiations toward, being sold?

Yes No

If Yes, explain the circumstances on Attachment B.

E. PERFORMANCE HISTORY

7. How many years has your firm been in business? 14 Years.

8. Has your firm ever held any contracts with the City of Los Angeles or any of its departments?

Yes No

If Yes, list on an Attachment B all contracts your firm has had with the City of Los Angeles for the last 10 years. For each contract listed in response to this question, include: (a) entity name; (b) purpose of contract; (c) total cost; (d) starting date; and (e) ending date.

9. List on Attachment B all contracts your firm has had with any private or governmental entity (other than the City of Los Angeles) over the last five years that are similar to the work to be performed on the contract for which you are bidding or proposing. For each contract listed in response to this question, include: (a) entity name; (b) purpose of contract; (c) total cost; (d) starting date; and (e) ending date.

Check the box if you have not had any similar contracts in the last five years

10. In the past five years, has a governmental or private entity or individual terminated your firm's contract prior to completion of the contract?

Yes No

If Yes, explain on Attachment B the circumstances surrounding each instance.

11. In the past five years, has your firm used any subcontractor to perform work on a government contract when you knew that the subcontractor had been debarred by a governmental entity?

Yes No

If Yes, explain on Attachment B the circumstances surrounding each instance.

12. In the past five years, has your firm been debarred or determined to be a non-responsible bidder or contractor?

Yes No

If Yes, explain on Attachment B the circumstances surrounding each instance.

F. DISPUTES

13. In the past five years, has your firm been the defendant in court on a matter related to any of the following issues? For parts (a) and (b) below, check Yes even if the matter proceeded to arbitration without court litigation. For part (c), check Yes only if the matter proceeded to court litigation. If you answer Yes to any of the questions below, explain the circumstances surrounding each instance on Attachment B. You must include the following in your response: the name of the plaintiffs in each court case, the specific causes of action in each case, the date each case was filed, and the disposition/current status of each case.

(a) Payment to subcontractors?

Yes No

(b) Work performance on a contract?

Yes No

(c) Employment-related litigation brought by an employee?

Yes No

14. Does your firm have any outstanding judgements pending against it?

Yes No

If Yes, explain on Attachment B the circumstances surrounding each instance.

15. In the past five years, has your firm been assessed liquidated damages on a contract?

Yes No

If Yes, explain on Attachment B the circumstances surrounding each instance and identify all such projects, the amount assessed and paid, and the name and address of the project owner.

G. COMPLIANCE

16. In the past five years, has your firm or any of its owners, partners or officers, ever been investigated, cited, assessed any penalties, or been found to have violated any laws, rules, or regulations enforced or administered, by any of the governmental entities listed on Attachment C (Page 9)? For this question, the term "owner" does not include owners of stock in your firm if your firm is a publicly traded corporation.

Yes No

If Yes, explain on Attachment B the circumstances surrounding each instance, including the entity that was involved, the dates of such instances, and the outcome.

17. If a license is required to perform any services provided by your firm, in the past five years, has your firm, or any person employed by your firm, been investigated, cited, assessed any penalties, subject to any disciplinary action by a licensing agency, or found to have violated any licensing laws?

Yes No

If Yes, explain on Attachment B the circumstances surrounding each instance in the last five years.

18. In the past five years, has your firm, any of its owners, partners, or officers, ever been penalized or given a letter of warning by the City of Los Angeles for failing to obtain authorization from the City for the substitution of a Minority-owned (MBE), Women-owned (WBE), or Other (OBE) business enterprise?

Yes No

If Yes, explain on Attachment B the circumstances surrounding each instance in the last five years.

H. BUSINESS INTEGRITY

19. For questions (a), (b), and (c) below, check Yes if the situation applies to your firm. For these questions, the term "firm" includes any owners, partners, or officers in the firm. The term "owner" does not include owners of stock in your firm if the firm is a publicly traded corporation. If you check Yes to any of the questions below, explain on Attachment B the circumstances surrounding each instance.

(a) Is a governmental entity or public utility currently investigating your firm for making (a) false claim(s) or material misrepresentation(s)?

Yes No

(b) In the past five years, has a governmental entity or public utility alleged or determined that your firm made (a) false claim(s) or material misrepresentation(s)?

Yes No

(c) In the past five years, has your firm been convicted or found liable in a civil suit for, making (a) false claim(s) or material misrepresentation(s) to any governmental entity or public utility?

Yes No

20. In the past five years, has your firm or any of its owners or officers been convicted of a crime involving the bidding of a government contract, the awarding of a government contract, the performance of a government contract, or the crime of fraud, theft, embezzlement, perjury, bribery? For this question, the term "owner" does not include those who own stock in a publicly traded corporation.

Yes No

If Yes, explain on Attachment B the circumstances surrounding each instance.

ATTACHMENT A FOR SECTIONS A THROUGH C

Where additional information or an explanation is required, use the space below to provide the information or explanation. Information submitted on this sheet must be typewritten or printed in ink. Include the number of the question for which you are submitting additional information. Make copies of this Attachment if additional pages are needed.

Page 1 of 1

1. Ormesa LLC is a subsidiary of Ormat Funding LLC which is a subsidiary of ORTP LLC which is a subsidiary of Ormat Nevada Inc.

2. Heber Geothermal Complex
947 Dogwood Road
Heber, CA 92249

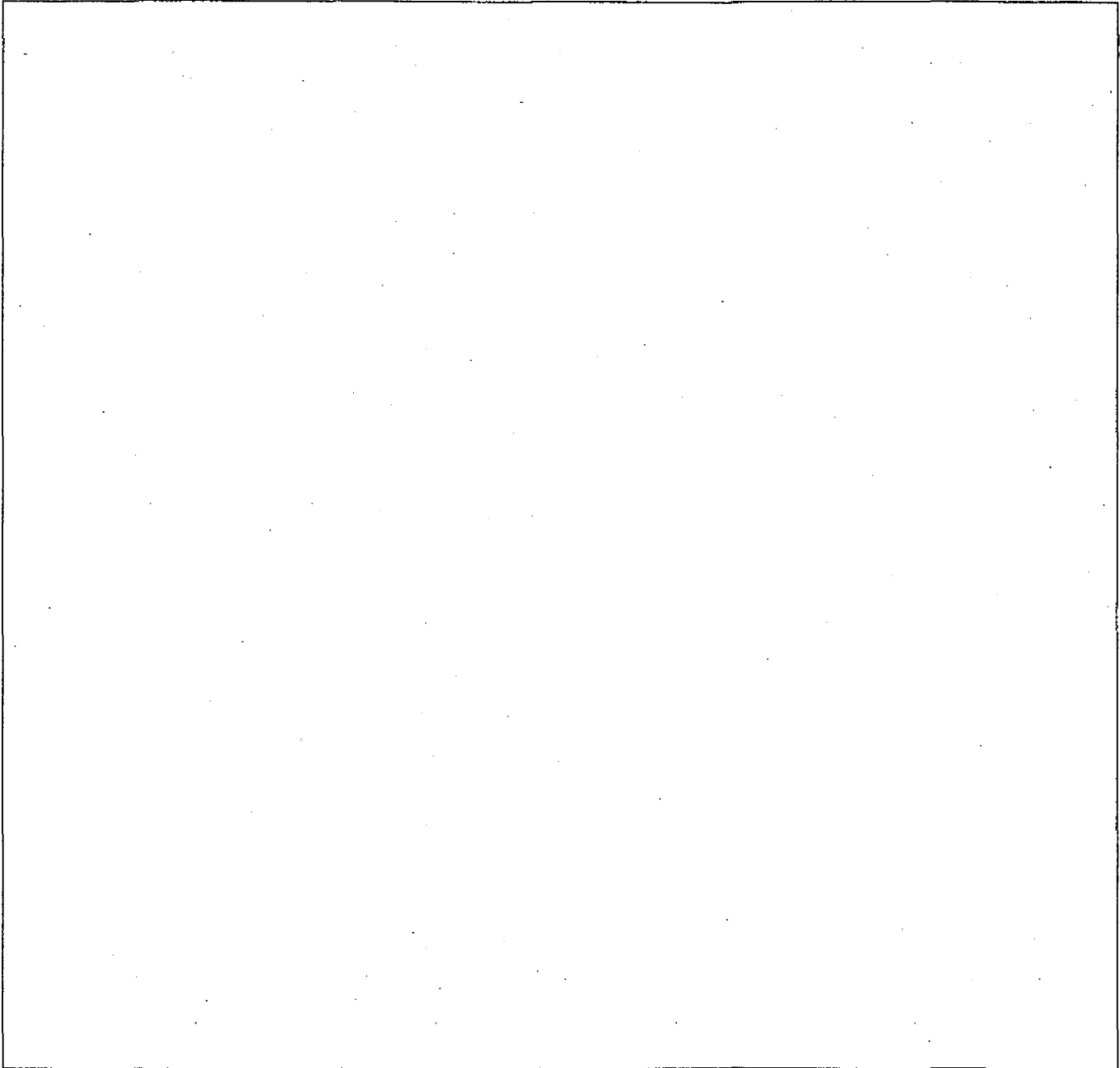
Mammoth Pacific Complex
Junction Old Hwy 395 + Hwy 203
Mammoth Lakes, CA 93546

Contact Person: Dhad Zimron
VP Operations

ATTACHMENT B FOR SECTIONS D THROUGH H

Where additional information or an explanation is required, use the space below to provide the information or explanation. Information submitted on this sheet must be typewritten or printed in ink. Include the number of the question for which you are submitting additional information. Make copies of this Attachment if additional pages are needed.

Page _____



ATTACHMENT C: GOVERNMENTAL ENTITIES FOR QUESTION NO. 16

Check **Yes** in response to Question No. 16 if your firm or any of its owners, partners or officers, have ever been cited, assessed any penalties, or found to have violated any laws, rules, or regulations enforced or administered, by any of the governmental entities listed below (or any of its subdivisions), including but not limited to those examples specified below. The term "owner" does not include owners of stock in your firm if your firm is a publicly traded corporation. If you answered **Yes**, provide an explanation on Attachment B of the circumstances surrounding each instance, including the entity involved, the dates of such instances, and the outcome.

FEDERAL ENTITIES**Federal Department of Labor**

- American with Disabilities Act
- Immigration Reform and Control Act
- Family Medical Leave Act
- Fair Labor Standards Act
- Davis-Bacon and laws covering wage requirements for federal government contract workers
- Migrant and Seasonal Agricultural Workers Protection Act
- Immigration and Naturalization Act
- Occupational Safety and Health Act
- anti-discrimination provisions applicable to government contractors and subcontractors
- whistleblower protection laws

Federal Department of Justice

- Civil Rights Act
- American with Disabilities Act
- Immigration Reform and Control Act of 1986
- bankruptcy fraud and abuse

Federal Department of Housing and Urban Development (HUD)

- anti-discrimination provisions in federally subsidized/assisted/sponsored housing programs
- prevailing wage requirements applicable to HUD related programs

Federal Environmental Protection Agency

- Environmental Protection Act

National Labor Relations Board

- National Labor Relations Act

Federal Equal Employment Opportunity Commission

- Civil Rights Act
- Equal Pay Act
- Age Discrimination in Employment Act
- Rehabilitation Act
- Americans with Disabilities Act

STATE ENTITIES**California's Department of Industrial Relations**

- wage and labor standards, and licensing and registration
- occupational safety and health standards
- workers' compensation self insurance plans
- Workers' Compensation Act
- wage, hour, and working standards for apprentices
- any provision of the California Labor Code

California's Department of Fair Employment and Housing

- California Fair Employment and Housing Act
- Unruh Civil Rights Act
- Ralph Civil Rights Act

California Department of Consumer Affairs

- licensing, registration, and certification requirements
- occupational licensing requirements administered and/or enforced by any of the Department's boards, including the Contractors' State Licensing Board

California's Department of Justice**LOCAL ENTITIES**

City of Los Angeles or any of its subdivisions for violations of any law, ordinance, code, rule, or regulation administered and/or enforced by the City, including any letters of warning or sanctions issued by the City of Los Angeles for an unauthorized substitution of subcontractors, or unauthorized reductions in dollar amounts subcontracted.

OTHERS

Any other federal, state, local governmental entity for violation of any other federal, state, or local law or regulation relating to wages, labor, or other terms and conditions of employment.

**CITY OF LOS ANGELES
CONTRACTOR CODE OF CONDUCT**

The City of Los Angeles has long supported the premise that employers should fairly compensate employees, that the health and safety of workers should be protected, and that no form of discrimination or abuse should be tolerated. Experience indicates that laws and regulations designed to safeguard basic tenets of ethical business practices are disregarded in some workplaces, commonly referred to as "sweatshops."

In its role as a market participant that procures equipment, goods, materials and supplies, the City seeks to protect its interests by assuring that the integrity of the City's procurement process is not undermined by contractors who engage in sweatshop practices and other employment practices abhorrent to the City. When the City inadvertently contracts with these contractors, the City's ethical contractors are placed at a distinct competitive disadvantage. Many times ethical contractors are underbid by unscrupulous contractors in competition for City contracts. These ethical contractors may be dissuaded from participating in future procurement contracts.

The City's proprietary contracting interests are served by doing business with contractors who make a good faith effort to ensure that they and their subcontractors shun sweatshop practices and adhere to workplace and wage laws. Seeking to protect these municipal interests, the City requires that all contractors subject to the Sweat-free Procurement Ordinance certify that they and, to the best of their knowledge, their subcontractors will comply with the City's Contractor Code of Conduct and to promise the following:

- (a) To comply with all applicable wage, health, labor, environmental and safety laws, legal guarantees of freedom of association, building and fire codes, and laws and ordinances relating to workplace and employment discrimination.
- (b) To comply with all human and labor rights and labor obligations that are imposed by treaty or law on the country in which the equipment, supplies, goods or materials are made or assembled, including but not limited to abusive forms of child labor, slave labor, convict or forced labor, or sweatshop labor.
- (c) To take good faith measures to ensure, to the best of the contractor's knowledge, that the contractor's subcontractors also comply with the City's Contractor Code of Conduct.
- (d) To pay employees working on contracts for garments, uniforms, foot apparel, and related accessories a procurement living wage, meaning for domestic manufacturers a base hourly wage adjusted annually to the amount required to produce, for 2,080 hours worked, an annual income equal to or greater than the U.S. Department of Health and Human Services most recent poverty guideline for a family of three plus an additional 20 percent of the wage level paid either as hourly wages or health benefits. For manufacturing operations in countries other than the United States, a procurement living wage which is comparable to the wage for domestic manufacturers as defined above, adjusted to reflect the country's level of economic development by using the World Bank's Gross National Income Per Capita Purchasing Power index.

CERTIFICATION UNDER PENALTY OF PERJURY

I certify under penalty of perjury under the laws of the State of California that I have read and understood the City's Contractor Code of Conduct and agree to comply with its requirements.

Connie Stechman February 11, 2016
Signature of Officer or Authorized Representative Date

CONNIE STECHMAN, ASSISTANT SECRETARY
Print Name and Title of Authorized Representative

Ormesa LLC 6225 Neil Road, Reno, NV 89511 775-356-9029
Print Company Name, Address and Phone Number

IRAN CONTRACTING ACT OF 2010 COMPLIANCE AFFIDAVIT

(California Public Contract Code Sections 2200-2208)

The California Legislature adopted the Iran Contracting Act of 2010 to respond to policies of Iran in a uniform fashion (PCC § 2201(q)). The Iran Contracting Act prohibits bidders engaged in investment activities in Iran from bidding on, submitting proposals for, or entering into or renewing contracts with public entities for goods and services of one million dollars (\$1,000,000) or more (PCC § 2203(a)). A bidder who "engages in investment activities in Iran" is defined as either:

1. A bidder providing goods or services of twenty million dollars (\$20,000,000) or more in the energy sector of Iran, including provision of oil or liquefied natural gas tankers, or products used to construct or maintain pipelines used to transport oil or liquefied natural gas, for the energy sector of Iran; or
2. A bidder that is a financial institution (as that term is defined in 50 U.S.C. § 1701) that extends twenty million dollars (\$20,000,000) or more in credit to another person, for 45 days or more, if that person will use the credit to provide goods or services in the energy sector in Iran and is identified on a list created by the California Department of General Services (DGS) pursuant to PCC § 2203(b) as a person engaging in the investment activities in Iran.

The bidder shall certify that at the time of submitting a bid for new contract or renewal of an existing contract, he or she is not identified on the DGS list of ineligible businesses or persons and that the bidder is not engaged in investment activities in Iran in violation of the Iran Contracting Act of 2010.

California law establishes penalties for providing false certifications, including civil penalties equal to the greater of \$250,000 or twice the amount of the contract for which the false certification was made; contract termination; and three-year ineligibility to bid on contracts (PCC § 2205).

To comply with the Iran Contracting Act of 2010, the bidder shall complete and sign ONE of the options shown below.

OPTION #1: CERTIFICATION

I, the official named below, certify that I am duly authorized to execute this certification on behalf of the bidder or financial institution identified below, and that the bidder or financial institution identified below is not on the current DGS list of persons engaged in investment activities in Iran and is not a financial institution extending twenty million dollars (\$20,000,000) or more in credit to another person or vendor, for 45 days or more, if that other person or vendor will use the credit to provide goods or services in the energy sector in Iran and is identified on the current DGS list of persons engaged in investment activities in Iran.

Name of Bidder/Financial Institution (Printed): Ormesa LLC

Signed by: Connie Stechman (Authorized Signature)

Connie Stechman (Printed Name)

Assistant Secretary (Title of Person Signing)

OPTION #2: EXEMPTION

Pursuant to PCC § 2203(c) and (d), a public entity may permit a bidder or financial institution engaged in investment activities in Iran, on a case-by-case basis, to be eligible for, or to bid on, submit a proposal for, or enter into, or renew, a contract for goods and services. If the bidder or financial institution identified below has obtained an exemption from the certification requirement under the Iran Contracting Act of 2010, the bidder or financial institution shall complete and sign below and attach documentation demonstrating the exemption approval.

Name of Bidder/Financial Institution (Printed): _____

Signed by: _____ (Authorized Signature)

(Printed Name)

(Title of Person Signing)

APPENDIX L
TO POWER PURCHASE AGREEMENT

DATED AS OF MARCH 1, 2016

BETWEEN

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

AND

ORMESA LLC

**POINTS OF DELIVERY (OR ALTERNATE POINT OF DELIVERY IF APPLICABLE) FOR
FACILITY ENERGY DELIVERY SHARES**

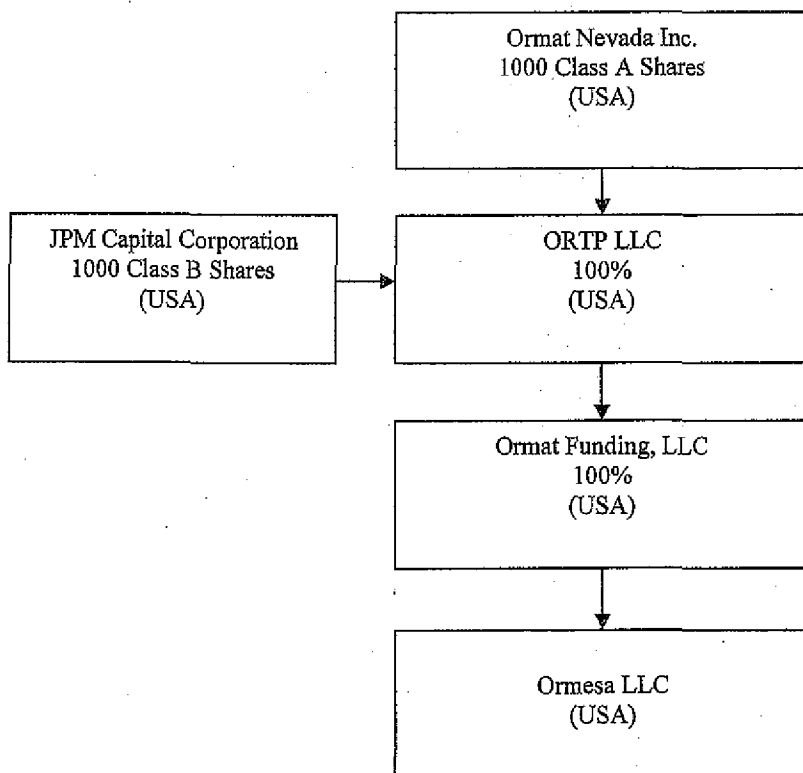
<u>Point of Delivery</u> <u>(or Alternate Point of Delivery</u> <u>if applicable)</u>	<u>Facility Energy</u> <u>Delivery Share</u>
Highline 92 kV Substation	14.29% as measured at Point of Interconnection
Mead 230kV Substation (or Mirage 230 kV Substation or Imperial Valley 230kV Substation or Blythe 161 kV Substation, if applicable)	85.71% as measured at Point of Interconnection less Transmission Losses*

* Refers to Transmission Losses not settled financially in accordance with the respective tariffs of the Transmission Providers.

SCHEDULE A

TO THE
POWER PURCHASE AGREEMENT
DATED AS OF MARCH 1, 2016
BETWEEN
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
AND
ORMESA LLC

ORGANIZATIONAL AND OWNERSHIP STRUCTURE OF SELLER
AND UPSTREAM EQUITY OWNERS



PRINCIPALS

ORMAT NEVADA INC.:

Isaac Angel	Director/Chief Executive Officer
Ami Boehm	Director
Doron Blachar	Secretary/Treasurer
Connie Stechman	Assistant Secretary

