

APPENDIX 11.10(c)

DISPUTE RESOLUTION PROCEDURES

1. Applicability.

Unless otherwise provided pursuant to the Asset Purchase and Sale Agreement between Department of Water and Power of the City of Los Angeles and Salt River Project Agricultural Improvement and Power District, dated as of ____ (the "Agreement"), all disputes between the Parties shall be resolved in accordance with the dispute resolution procedures set forth in this Appendix 11.10(c). Capitalized terms not defined herein shall have the meanings given those terms in the Agreement.

2. Negotiations by Senior Management.

- A. The Parties will attempt in good faith to resolve any dispute arising under the Agreement excluding disputes required to be resolved by the Independent Accountants pursuant to Sections 2.8 or 2.10 of the Agreement (in each case, other than those excluded, a "Dispute") by prompt negotiations between each Party's authorized representative designated in writing by such Party as a representative of the Party (each a "Manager"). Either Manager may, by providing written notice to the other Party, request a meeting to initiate negotiations ("Negotiation Request") to be held within seven (7) days of the other Party's receipt of such Negotiation Request, at a mutually agreed time and place (either in person or telephonically). If the Dispute is not resolved within thirty (30) days of the other Party's receipt of the Negotiation Request ("Initial Negotiation End Date"), the Managers shall refer the Dispute to the designated senior officers of their respective entities that have authority to settle the dispute ("Executive(s)"). No later than seven (7) days after the Initial Negotiation End Date ("Referral Date"), each Party shall provide one another written notice confirming the referral and identifying the name and title of the Executive who will represent the Party.
- B. No later than seven (7) days after the Referral Date, the Executives shall establish a mutually acceptable location and date, which date shall not be greater than fifteen (15) days after the Referral Date, to meet (either in person or telephonically). After the initial meeting date, the Executives shall meet, as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the Dispute.
- C. All communication and writing exchanged between the Parties in connection with these negotiations shall be confidential and shall not be used or referred to in any subsequent binding adjudicatory process between the Parties.
- D. In the event the Dispute is not resolved by informal negotiation of the Executives within thirty (30) days of the Initial Negotiation End Date, the Parties agree to discuss, without binding obligation, whether to use mediation, arbitration or other alternative dispute resolution procedures, but neither Party shall be obligated to do so and may, thereafter, institute any legal action in accordance with the terms of the Agreement, including Section 11.10 thereof.