

**POWER PURCHASE AGREEMENT**

**BETWEEN**

**NORWEST ENERGY 12, LLC**

**[a new Firm Qualifying Facility with 10,000 kW Facility Capacity Rating, or Less and  
not an Intermittent Resource]**

**AND**

**PACIFICORP**

Section 1: Definitions .....	2
Section 2: Term; Commercial Operation Date .....	6
Section 3: Representations and Warranties .....	6
Section 4: Delivery of Power .....	9
Section 5: Purchase Prices.....	10
Section 6: Operation and Control.....	11
Section 7: Fuel/Motive Force .....	12
Section 8: Metering .....	12
Section 9: Billings, Computations, and Payments.....	13
Section 10: Security.....	13
Section 11: Defaults and Remedies .....	16
Section 12: Indemnification and Liability .....	19
Section 13: Insurance ( <i>Facilities over 200kW only</i> ).....	20
Section 14: Force Majeure.....	21
Section 15: Several Obligations .....	21
Section 16: Choice of Law .....	22
Section 17: Partial Invalidity .....	22
Section 18: Waiver .....	22
Section 19: Governmental Jurisdictions and Authorizations.....	22
Section 20: Repeal of PURPA.....	22
Section 21: Successors and Assigns .....	22
Section 22: Entire Agreement .....	23
Section 23: Notices.....	23

## POWER PURCHASE AGREEMENT

THIS POWER PURCHASE AGREEMENT, entered into this 29<sup>th</sup> day of May, 2015, is between NorWest Energy 12, LLC, "**Seller**" and PacifiCorp (d/b/a Pacific Power & Light Company), an Oregon corporation acting in its regulated utility capacity, "**PacifiCorp**." (Seller and PacifiCorp are referred to individually as a "**Party**" or collectively as the "**Parties**").

### RECITALS

A. Seller intends to construct, own, operate and maintain the **Falvey** photo voltaic solar facility for the generation of electric power, including interconnection facilities, located in Merrill, Klamath County, Oregon with a Facility Capacity Rating of 8,000 -kilowatts (kW) as further described in **Exhibit A** and **Exhibit B** ("**Facility**"); and

B. Seller intends to commence delivery of Net Output under this Agreement, for the purpose of Start-up Testing, on November 18, 2016 ("**Scheduled Initial Delivery Date**"); and

C. Seller intends to operate the Facility as a Qualifying Facility, commencing commercial operations on December 31, 2016 ("**Scheduled Commercial Operation Date**"); and

D. Seller estimates that the average annual Net Energy to be delivered by the Facility to PacifiCorp is 20,652,142 kilowatt-hours (kWh), which amount of energy PacifiCorp will include in its resource planning; and

E. Seller shall (choose one)  sell all Net Output to PacifiCorp and purchase its full electric requirements from PacifiCorp  sell Net Output surplus to its needs at the Facility site to PacifiCorp and purchase partial electric requirements service from PacifiCorp, in accordance with the terms and conditions of this Agreement; and

F. This Agreement is a "New QF Contract" under the PacifiCorp Inter-Jurisdictional Cost Allocation Revised Protocol.

## AGREEMENT

NOW, THEREFORE, the Parties mutually agree as follows:

### SECTION 1: DEFINITIONS

When used in this Agreement, the following terms shall have the following meanings:

1.1 **"As-built Supplement"** shall be a supplement to **Exhibit A** and **Exhibit B**, provided by Seller following completion of construction of the Facility, describing the Facility as actually built.

1.2 **"Average Annual Generation"** shall have the meaning set forth in Section 4.2.

1.3 **"Billing Period"** means, unless otherwise agreed to, the time period between PacifiCorp's consecutive readings of its power purchase billing meter at the Facility in the normal course of PacifiCorp's business. Such periods typically range between twenty-seven (27) and thirty-four (34) days and may not coincide with calendar months.

1.4 **"Commercial Operation Date"** means the date that the Facility is deemed by PacifiCorp to be fully operational and reliable, which shall require, among other things, that all of the following events have occurred:

1.4.1 PacifiCorp has received a certificate addressed to PacifiCorp from a Licensed Professional Engineer stating (a) the Facility Capacity Rating of the Facility at the anticipated Commercial Operation Date; and (b) that the Facility is able to generate electric power reliably in amounts required by this Agreement and in accordance with all other terms and conditions of this Agreement;

1.4.2 The Facility has completed Start-Up Testing;

1.4.3 PacifiCorp has received a certificate addressed to PacifiCorp from a Licensed Professional Engineer stating that, (a), in accordance with the Generation Interconnection Agreement, all required interconnection facilities have been constructed, all required interconnection tests have been completed and the Facility is physically interconnected with PacifiCorp's electric system, or (b) if the Facility is interconnected with another electric utility that will wheel Net Output to PacifiCorp, all required interconnection facilities have been completed and tested and are in place to allow for such wheeling;

1.4.4 PacifiCorp has received a certificate addressed to PacifiCorp from an attorney in good standing in the State of Oregon stating that Seller has obtained all Required Facility Documents and if requested by PacifiCorp, in writing, has provided copies of any or all such requested Required Facility Documents. (Facilities over 200 kW only).

- 1.4.5 Seller has complied with the security requirements of Section 10.
- 1.4.6 PacifiCorp has received an executed copy of **Exhibit F**—Seller’s Interconnection Request.
- 1.5 “**Commission**” means the Oregon Public Utilities Commission.
- 1.6 “**Contract Price**” means the applicable price for capacity or energy, or both capacity and energy, stated in Sections 5.1 and 5.2.
- 1.7 “**Contract Year**” means a twelve (12) month period commencing at 00:00 hours Pacific Prevailing Time (“PPT”) on January 1 and ending on 24:00 hours PPT on December 31; *provided, however*, that the first Contract Year shall commence on the Commercial Operation Date and end on the next succeeding December 31, and the last Contract Year shall end on the Termination Date.
- 1.8 “**Credit Requirements**” means a long-term credit rating (corporate or long-term senior unsecured debt) of (1) “Baa3” or greater by Moody’s, or (2) “BBB-” or greater by S&P, or such other indicia of creditworthiness acceptable to PacifiCorp in its reasonable judgment.
- 1.9 “**Default Security**”, unless otherwise agreed to by the Parties in writing, means the amount of either a Letter of Credit or cash placed in an escrow account sufficient to replace twelve (12) average months of replacement power costs over the term of this Agreement, and shall be calculated by taking the average, over the term of this Agreement, of the positive difference between (a) the monthly forward power prices at Mid-Columbia (as determined by PacifiCorp in good faith using information from a commercially reasonable independent source), multiplied by 110%, minus (b) the average of the Fixed Avoided Cost Prices specified in Schedule 37, and multiplying such difference by (c) the Minimum Annual Delivery; provided, however, the amount of Default Security shall in no event be less than the amount equal to the payments PacifiCorp would make for three (3) average months based on Seller’s average monthly volume over the term of this Agreement and utilizing the average Fixed Avoided Cost Prices specified in Schedule 37. Such amount shall be fixed at the Effective Date of this Agreement.
- 1.10 “**Effective Date**” shall have the meaning set forth in Section 2.1.
- 1.11 “**Energy Delivery Schedule**” shall have the meaning set forth in Section 4.5.
- 1.12 “**Environmental Attributes**” shall have the meaning set forth in Section 5.5.
- 1.13 “**Excess Output**” shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Capacity Rating.
- 1.14 “**Facility**” shall have the meaning set forth in Recital A.
- 1.15 “**Facility Capacity Rating**” means the sum of the Nameplate Capacity Ratings for all generators comprising the Facility.
- 1.16 “**FERC**” means the Federal Energy Regulatory Commission, or its successor.

1.17 **“Generation Interconnection Agreement”** means the generation interconnection agreement to be entered into separately between Seller and PacifiCorp’s transmission or distribution department, as applicable, providing for the construction, operation, and maintenance of PacifiCorp’s interconnection facilities required to accommodate deliveries of Seller’s Net Output if the Facility is to be interconnected directly with PacifiCorp rather than another electric utility.

1.18 **“Letter of Credit”** means an irrevocable standby letter of credit, from an institution that has a long-term senior unsecured debt rating of “A” or greater from S&P or “A2” or greater from Moody’s, in a form reasonably acceptable to PacifiCorp, naming PacifiCorp as the party entitled to demand payment and present draw requests thereunder.

1.19 **“Licensed Professional Engineer”** means a person acceptable to PacifiCorp in its reasonable judgment who is licensed to practice engineering in the state of Oregon, who has no economic relationship, association, or nexus with the Seller, and who is not a representative of a consulting engineer, contractor, designer or other individual involved in the development of the Facility, or of a manufacturer or supplier of any equipment installed in the Facility. Such Licensed Professional Engineer shall be licensed in an appropriate engineering discipline for the required certification being made.

1.20 **“Material Adverse Change”** means the occurrence of any event of default under any material agreement to which Seller is a party and of any other development, financial or otherwise, which would have a material adverse effect on Seller, the Facility or Seller’s ability to develop, construct, operate, maintain or own the Facility as provided in this Agreement

1.21 **“Maximum Annual Delivery”** shall have the meaning set forth in Section 4.3.

1.22 **“Minimum Annual Delivery”** shall have the meaning set forth in Section 4.3.

1.23 **“Nameplate Capacity Rating”** means the full-load electrical quantities assigned by the designer to a generator and its prime mover or other piece of electrical equipment, such as transformers and circuit breakers, under standardized conditions, expressed in amperes, kilovoltamperes, kilowatts, volts, or other appropriate units. Usually indicated on a nameplate attached to the individual machine or device.

1.24 **“Net Energy”** means the energy component, in kWh, of Net Output.

1.25 **“Net Output”** means all energy and capacity produced by the Facility, less station use and less transformation and transmission losses and other adjustments (e.g., Seller’s load other than station use), if any. For purposes of calculating payment under this Agreement, Net Output of energy shall be the amount of energy flowing through the Point of Delivery.

1.26 **“Net Replacement Power Costs”** shall have the meaning set forth in Section 11.4.1.

1.27 **“Off-Peak Hours”** means all hours of the week that are not On-Peak Hours.

1.28 **“On-Peak Hours”** means the hours between 6 a.m. Pacific Prevailing Time (“PPT”) and 10 p.m. PPT, Mondays through Saturdays, excluding all hours occurring on holidays as provided in Schedule 37.

1.29 **“Point of Delivery”** means the high side of the Seller’s step-up transformer(s) located at the point of interconnection between the Facility and PacifiCorp’s distribution/transmission system, as specified in the Generation Interconnection Agreement, or, if the Facility is not interconnected directly with PacifiCorp, the point at which another utility will deliver the Net Output to PacifiCorp as specified in **Exhibit B**.

1.30 **“Prime Rate”** means the publicly announced prime rate for commercial loans to large businesses with the highest credit rating in the United States in effect from time to time quoted by Citibank, N.A. If a Citibank, N.A. prime rate is not available, the applicable Prime Rate shall be the announced prime rate for commercial loans in effect from time to time quoted by a bank with \$10 billion or more in assets in New York City, New York, selected by the Party to whom interest based on the Prime Rate is being paid.

1.31 **“Prudent Electrical Practices”** means any of the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry or any of the practices, methods or acts, which, in the exercise of reasonable judgment in the light of the facts known at the time a decision is made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Prudent Electrical Practices is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts.

1.32 **“QF”** means **“Qualifying Facility,”** as that term is defined in the FERC regulations (codified at 18 CFR Part 292) in effect on the Effective Date.

1.33 **“Replacement Price”** means the price at which PacifiCorp, acting in a commercially reasonable manner, purchases for delivery at the Point of Delivery a replacement for any Net Output that Seller is required to deliver under this Agreement plus (i) costs reasonably incurred by PacifiCorp in purchasing such replacement Net Output, and (ii) additional transmission charges, if any, reasonably incurred by PacifiCorp in causing replacement energy to be delivered to the Point of Delivery. If PacifiCorp elects not to make such a purchase, the Replacement Price shall be the market price at the Mid-Columbia trading hub for such energy not delivered, plus any additional cost or expense incurred as a result of Seller’s failure to deliver, as determined by PacifiCorp in a commercially reasonable manner (but not including any penalties, ratcheted demand or similar charges).

1.34 **“Required Facility Documents”** means all licenses, permits, authorizations, and agreements, including a Generation Interconnection Agreement or equivalent, necessary for construction, operation, and maintenance of the Facility consistent with the terms of this Agreement, including without limitation those set forth in **Exhibit C**.

1.35 **“Schedule 37”** means the Schedule 37 of Pacific Power & Light Company’s Commission-approved tariffs, providing pricing options for Qualifying Facilities of 10,000 kW or less, which is in effect on the Effective Date of this Agreement. A copy of that Schedule 37 is attached as **Exhibit G**.

1.36 “**Scheduled Commercial Operation Date**” shall have the meaning set forth in Recital C.

1.37 “**Scheduled Initial Delivery Date**” shall have the meaning set forth in Recital B.

1.38 “**Start-Up Testing**” means the completion of required factory and start-up tests as set forth in **Exhibit E** hereto.

1.39 “**Termination Date**” shall have the meaning set forth in Section 2.4.

## **SECTION 2: TERM; COMMERCIAL OPERATION DATE**

2.1 This Agreement shall become effective after execution by both Parties (“**Effective Date**”).

2.2 **Time is of the essence for this Agreement**, and Seller's ability to meet certain requirements prior to the Commercial Operation Date and to deliver Net Output by the Scheduled Commercial Operation Date is critically important. Therefore,

2.2.1 By August 31<sup>st</sup>, 2015, Seller shall provide PacifiCorp with a copy of an executed Generation Interconnection Agreement, or wheeling agreement, as applicable, which shall be consistent with all material terms and requirements of this Agreement.

2.2.2 Upon completion of construction, Seller, in accordance with Section 6.1, shall provide PacifiCorp with an As-built Supplement acceptable to PacifiCorp;

2.2.3 By the date thirty (30) days after the Effective Date, Seller shall provide Default Security required under Sections 10.1 or 10.2, as applicable.

2.3 Seller shall cause the Facility to achieve Commercial Operation on or before the Scheduled Commercial Operation Date. If Commercial Operation occurs after the Scheduled Commercial Operation Date, Seller shall be in default, and liable for delay damages specified in Section 11.

2.4 Except as otherwise provided herein, this Agreement shall terminate on November 17, 2031 (“**Termination Date**”).

## **SECTION 3: REPRESENTATIONS AND WARRANTIES**

3.1 PacifiCorp represents, covenants, and warrants to Seller that:

3.1.1 PacifiCorp is duly organized and validly existing under the laws of the State of Oregon.

- 3.1.2 PacifiCorp has the requisite corporate power and authority to enter into this Agreement and to perform according to the terms of this Agreement.
  - 3.1.3 PacifiCorp has taken all corporate actions required to be taken by it to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.
  - 3.1.4 The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on PacifiCorp or any valid order of any court, or any regulatory agency or other body having authority to which PacifiCorp is subject.
  - 3.1.5 This Agreement is a valid and legally binding obligation of PacifiCorp, enforceable against PacifiCorp in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).
- 3.2 Seller represents, covenants, and warrants to PacifiCorp that:
- 3.2.1 Seller is a limited liability company duly organized and validly existing under the laws of Oregon.
  - 3.2.2 Seller has the requisite power and authority to enter into this Agreement and to perform according to the terms hereof, including all required regulatory authority to make wholesale sales from the Facility.
  - 3.2.3 Seller has taken all actions required to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.
  - 3.2.4 The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on Seller or any valid order of any court, or any regulatory agency or other body having authority to which Seller is subject.
  - 3.2.5 This Agreement is a valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general

principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).

- 3.2.6 The Facility is and shall for the term of this Agreement continue to be a QF, and Seller will operate the Facility in a manner consistent with its FERC QF certification. Seller has provided to PacifiCorp the appropriate QF certification (which may include a FERC self-certification) prior to PacifiCorp's execution of this Agreement. At any time during the term of this Agreement, PacifiCorp may require Seller to provide PacifiCorp with evidence satisfactory to PacifiCorp in its reasonable discretion that the Facility continues to qualify as a QF under all applicable requirements and, if PacifiCorp is not satisfied that the Facility qualifies for such status, a written legal opinion from an attorney who is (a) in good standing in the state of Oregon, and (b) who has no economic relationship, association or nexus with the Seller or the Facility, stating that the Facility is a QF and providing sufficient proof (including copies of all documents and data as PacifiCorp may request) demonstrating that Seller has maintained and will continue to maintain the Facility as a QF.
- 3.2.7 Compliance with Partial Stipulation in Commission Proceeding No. UM-1129. Seller will not make any changes in its ownership, control, or management during the term of this Agreement that would cause it to not be in compliance with the definition of a Small Cogeneration Facility or Small Power Production Facility provided in PacifiCorp's Schedule 37 tariff approved by the Commission at the time this Agreement is executed. Seller will provide, upon request by PacifiCorp not more frequently than every 36 months, such documentation and information as reasonably may be required to establish Seller's continued compliance with such Definition. PacifiCorp agrees to take reasonable steps to maintain the confidentiality of any portion of the above-described documentation and information that the Seller identifies as confidential except PacifiCorp will provide all such confidential information the Public Utility Commission of Oregon upon the Commission's request.
- 3.2.8 Additional Seller Creditworthiness Warranties. Seller need not post security under Section 10 for PacifiCorp's benefit in the event of Seller default, provided that Seller warrants all of the following:
- (a) Neither the Seller nor any of its principal equity owners is or has within the past two (2) years been the debtor in any bankruptcy proceeding, is unable to pay its bills in the ordinary course of its business, or is the subject of any legal or regulatory action, the result of which could reasonably be expected to impair Seller's ability to own and operate the Facility in accordance with the terms of this Agreement.
  - (b) Seller has not at any time defaulted in any of its payment obligations for electricity purchased from PacifiCorp.

- (c) Seller is not in default under any of its other agreements and is current on all of its financial obligations, including construction related financial obligations.
- (d) Seller owns, and will continue to own for the term of this Agreement, all right, title and interest in and to the Facility, free and clear of all liens and encumbrances other than liens and encumbrances related to third-party financing of the Facility.
- (e) **[Applicable only to Seller's with a Facility having a Facility Capacity Rating greater than 3,000 kW]** Seller meets the Credit Requirements.

Seller hereby declares (Seller initial one only):

- \_\_\_\_\_ Seller affirms and adopts all warranties of this Section 3.2.8, and therefore is not required to post security under Section 10; or
- X   Seller does not affirm and adopt all warranties of this Section 3.2.8, and therefore Seller elects to post the security specified in Section 10.

3.3 Notice. If at any time during this Agreement, any Party obtains actual knowledge of any event or information which would have caused any of the representations and warranties in this Section 3 to have been materially untrue or misleading when made, such Party shall provide the other Party with written notice of the event or information, the representations and warranties affected, and the action, if any, which such Party intends to take to make the representations and warranties true and correct. The notice required pursuant to this Section shall be given as soon as practicable after the occurrence of each such event.

#### **SECTION 4: DELIVERY OF POWER**

4.1 Commencing on the Commercial Operation Date, unless otherwise provided herein, Seller will sell and PacifiCorp will purchase all Net Output from the Facility delivered to the Point of Delivery.

4.2 Average Annual Generation. Seller estimates that the Facility will generate, on average, 20,652,142 kWh per Contract Year (“**Average Annual Generation**”). Seller may, upon at least six months prior written notice, modify the Average Annual Generation every other Contract Year.

4.3 Minimum and Maximum Delivery. Seller shall make available from the Facility a minimum of 13,556,223 kWh of Net Output during each Contract Year, provided that such minimum for the first Contract Year shall be reduced pro rata to reflect the Commercial Operation Date, and further provided that such minimum Net Output shall be reduced on a pro-

rata basis for any periods during a Contract Year that the Facility was prevented from generating electricity for reasons of Force Majeure (“**Minimum Annual Delivery**”). Seller estimates, for informational purposes, that it will make available from the Facility a maximum of 23,742,601 kWh of Net Output during each Contract Year (“**Maximum Annual Delivery**”). Seller’s basis for determining the Minimum and Maximum Annual Delivery amounts is set forth in **Exhibit D**.

4.4 Deliveries in Deficit of Delivery Obligation. Seller’s failure to deliver the Minimum Annual Delivery in any Contract Year (prorated if necessary) shall be a default, and Seller shall be liable for damages in accordance with Section 11.

4.5 Energy Delivery Schedule. Seller has provided a monthly schedule of Net Energy expected to be delivered by the Facility (“**Energy Delivery Schedule**”), incorporated into **Exhibit D**.

### **SECTION 5: PURCHASE PRICES**

5.1 Seller shall have the option to select one of four pricing options: Fixed Avoided Cost Prices (“Fixed Price”), Firm Market Indexed Avoided Cost Prices (“Firm Electric Market”), Gas Market Indexed Avoided Cost Prices (“Gas Market”), or Banded Gas Market Indexed Avoided Cost Prices (“Banded Gas Market”), as published in Schedule 37. Once an option is selected the option will remain in effect for the duration of the Facility’s contract. Seller has selected the following (Seller to initial one):

- X   Fixed Price
- Firm Electric Market
- Gas Market
- Banded Gas Market

A copy of Schedule 37, and a table summarizing the purchase prices under the pricing option selected by Seller, is attached as **Exhibit G**.

5.2 (Fixed Price Sellers Only). In the event Seller elects the Fixed Price payment method, PacifiCorp shall pay Seller the applicable On-Peak and Off-Peak rates specified in **Schedule 37** during the first fifteen (15) years after the Scheduled Initial Delivery Date. Thereafter, PacifiCorp shall pay Seller market-based rates, using the following pricing option (Seller to initial one):

- Firm Electric Market
- Gas Market
- Banded Gas Market

5.3 If the Seller elects a gas market indexed price option, the index shall be the Opal Gas Market Index as provided in Schedule 37. In the event that Platt ceases to publish the Opal Gas Market Index, the Company shall replace the index with a similar gas index.

5.4 For all Excess Output and for all Net Output delivered prior to the Commercial Operation Date, PacifiCorp shall pay Seller a blended market index price for day-ahead non-firm energy at Mid-Columbia, California Oregon Border (COB), Four Corners and Palo Verde market

indices as reported by Intercontinental Exchange, for the On-Peak and Off-Peak periods. PacifiCorp shall document its calculation of the blended rate, upon request, to Seller. Such payment will be accomplished by adjustments pursuant to Section 9.2.

5.5 Environmental Attributes. PacifiCorp waives any claim to Seller's ownership of Environmental Attributes under this Agreement. Environmental Attributes include, but are not limited to, Green Tags, Green Certificates, Renewable Energy Credits (RECs) and Tradable Renewable Certificates (TRCs) (as those terms are commonly used in the regional electric utility industry) directly associated with the production of energy from the Seller's Facility.

## **SECTION 6: OPERATION AND CONTROL**

6.1 As-Built Supplement. Upon completion of initial (and any subsequent) construction of the Facility, Seller shall provide PacifiCorp an As-built Supplement to specify the actual Facility as built. The As-built Supplement must be reviewed and approved by PacifiCorp, which approval shall not unreasonably be withheld, conditioned or delayed.

6.2 Incremental Utility Upgrades. At start-up (and at any other time upon at least six month's prior written notice), Seller may increase Net Output, if such increase is due to normal variances in estimated versus actual performance, changed Facility operations, or improvements in Facility efficiency. Seller may not increase Net Output under this Agreement by installing additional generating units. In the case of substantial upgrades, PacifiCorp may require Seller to comply with Section 3.2.8(e) (in the event that the Facility upgrade causes the Facility Capacity Rating to exceed 3,000 kW) and increase its Minimum Annual Delivery obligation in Section 4.3 (if appropriate). PacifiCorp may also update Seller's security obligation (if applicable). So long as the Facility Capacity Rating after the upgrade is 10,000 kW or less, Seller will continue to receive the Contract Price for the Net Output, as set forth in Sections 5.1 and 5.2 of this Agreement. If Seller increases the Facility Capacity Rating above 10,000 kW, then (on a going forward basis) PacifiCorp shall pay Seller the Contract Price for the fraction of total Net Output equal to 10,000 kW divided by the Facility Capacity Rating of the upgraded Facility. For the remaining fraction of Net Output, PacifiCorp and Seller shall agree to a new negotiated rate. Seller shall be responsible for ensuring that any planned increase in the Facility Capacity Rating or the maximum instantaneous capacity of the Facility complies with Seller's Generation Interconnection Agreement and any other agreements with PacifiCorp.

6.3 Seller shall operate and maintain the Facility in a safe manner in accordance with the Generation Interconnection Agreement (if applicable), Prudent Electrical Practices and in accordance with the requirements of all applicable federal, state and local laws and the National Electric Safety Code as such laws and code may be amended from time to time. PacifiCorp shall have no obligation to purchase Net Output from the Facility to the extent the interconnection between the Facility and PacifiCorp's electric system is disconnected, suspended or interrupted, in whole or in part, pursuant to the Generation Interconnection Agreement, or to the extent generation curtailment is required as a result of Seller's non-compliance with the Generation Interconnection Agreement. PacifiCorp shall have the right to inspect the Facility to confirm that Seller is operating the Facility in accordance with the provisions of this Section 6.3 upon reasonable notice to Seller. Seller is solely responsible for the operation and maintenance of the Facility. PacifiCorp shall not, by reason of its decision to inspect or not to inspect the Facility, or

by any action or inaction taken with respect to any such inspection, assume or be held responsible for any liability or occurrence arising from the operation and maintenance by Seller of the Facility.

6.4 Scheduled Outages. Seller may cease operation of the entire Facility or individual units, if applicable, for maintenance or other purposes. Seller shall exercise its best efforts to notify PacifiCorp of planned outages at least ninety (90) days prior, and shall reasonably accommodate PacifiCorp's request, if any, to reschedule such planned outage in order to accommodate PacifiCorp's need for Facility operation.

6.5 Unplanned Outages. In the event of an unscheduled outage or curtailment exceeding twenty-five (25) percent of the Facility Capacity Rating (other than curtailments due to lack of motive force), Seller immediately shall notify PacifiCorp of the necessity of such unscheduled outage or curtailment, the time when such has occurred or will occur and the anticipated duration. Seller shall take all reasonable measures and exercise its best efforts to avoid unscheduled outage or curtailment, to limit the duration of such, and to perform unscheduled maintenance during Off-Peak hours.

#### **SECTION 7: FUEL/MOTIVE FORCE**

Prior to the Effective Date of this Agreement, Seller provided to PacifiCorp a fuel or motive force plan acceptable to PacifiCorp in its reasonable discretion and attached hereto as **Exhibit D-1**, together with a certification from a Licensed Professional Engineer to PacifiCorp attached hereto as **Exhibit D-2**, certifying that the implementation of the fuel or motive force plan can reasonably be expected to provide fuel or motive force to the Facility for the duration of this Agreement adequate to generate power and energy in quantities necessary to deliver the Minimum Annual Delivery set forth by Seller in Section 4.

#### **SECTION 8: METERING**

8.1 PacifiCorp shall design, furnish, install, own, inspect, test, maintain and replace all metering equipment required pursuant to the Generation Interconnection Agreement, if applicable.

8.2 Metering shall be performed at the location and in a manner consistent with this Agreement and as specified in the Generation Interconnection Agreement, or, if the Net Output is to be wheeled to PacifiCorp by another utility, metering will be performed in accordance with the terms of PacifiCorp's interconnection agreement with such other utility. All quantities of energy purchased hereunder shall be adjusted to account for electrical losses, if any between the point of metering and the Point of Delivery, so that the purchased amount reflects the net amount of energy flowing into PacifiCorp's system at the Point of Delivery.

8.3 PacifiCorp shall periodically inspect, test, repair and replace the metering equipment as provided in the Generation Interconnection Agreement, if applicable. If the Net Output is to be wheeled to PacifiCorp by another utility, meter inspection, testing, repair and replacement will be performed in accordance with the terms of PacifiCorp's interconnection

agreement with such utility. If any of the inspections or tests discloses an error exceeding two percent (2%), either fast or slow, proper correction, based upon the inaccuracy found, shall be made of previous readings for the actual period during which the metering equipment rendered inaccurate measurements if that period can be ascertained. If the actual period cannot be ascertained, the proper correction shall be made to the measurements taken during the time the metering equipment was in service since last tested, but not exceeding three (3) Billing Periods, in the amount the metering equipment shall have been shown to be in error by such test. Any correction in billings or payments resulting from a correction in the meter records shall be made in the next monthly billing or payment rendered following the repair of the meter.

**SECTION 9: BILLINGS, COMPUTATIONS, AND PAYMENTS**

9.1 On or before the thirtieth (30th) day following the end of each Billing Period, PacifiCorp shall send to Seller payment for Seller’s deliveries of Net Output to PacifiCorp, together with computations supporting such payment. PacifiCorp may offset any such payment to reflect amounts owing from Seller to PacifiCorp pursuant to this Agreement, the Generation Interconnection Agreement, or any other agreement between the Parties.

9.2 Corrections. PacifiCorp shall have up to eighteen months to adjust any payment made pursuant to Section 9.1. In the event PacifiCorp determines it has overpaid Seller (for Excess Output or otherwise), PacifiCorp may adjust Seller’s future payment accordingly in order to recapture any overpayment in a reasonable time.

9.3 Any amounts owing after the due date thereof shall bear interest at the Prime Rate plus two percent (2%) from the date due until paid; *provided, however*, that the interest rate shall at no time exceed the maximum rate allowed by applicable law.

**SECTION 10: SECURITY**

Unless Seller has adopted the creditworthiness warranties contained in Section 3.2.8, Seller must provide security (if requested by PacifiCorp) in the form of a cash escrow, letter of credit, senior lien, or step-in rights. Seller hereby elects to provide, in accordance with the applicable terms of this Section 10, the following security (Seller to initial one selection only):

- Cash Escrow
- Letter of Credit
- Senior Lien
- Step-in Rights
- Seller has adopted the Creditworthiness Warranties of Section 3.2.8.

In the event Seller’s obligation to post default security (under Section 10 or Section 11.1.4) arises solely from Seller’s delinquent performance of construction-related financial obligations, upon Seller’s request, PacifiCorp will excuse Seller from such obligation in the event Seller has negotiated financial arrangements with its construction lenders that mitigate Seller’s financial risks to PacifiCorp’s reasonable satisfaction.

**[SKIP THIS SECTION 10.1 UNLESS SELLER SELECTED CASH ESCROW ALTERNATIVE]**

10.1 Cash Escrow Security. Seller shall deposit in an escrow account established by PacifiCorp in a banking institution acceptable to both Parties, the Default Security. Such sum shall earn interest at the rate applicable to money market deposits at such banking institution from time to time. To the extent PacifiCorp receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

**[SKIP THIS SECTION 10.2 UNLESS SELLER SELECTED LETTER OF CREDIT ALTERNATIVE]**

10.2 Letter of Credit Security. Seller shall post and maintain in an amount equal to the Default Security: (a) a guaranty from a party that satisfies the Credit Requirements, in a form acceptable to PacifiCorp in its discretion, or (b) a Letter of Credit in favor of PacifiCorp. To the extent PacifiCorp receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

**[SKIP THIS SECTION 10.3 UNLESS SELLER SELECTED SENIOR LIEN ALTERNATIVE]**

10.3 Senior Lien. Before the Scheduled Commercial Operation Date, Seller shall grant PacifiCorp a senior, unsubordinated lien on the Facility and its assets as security for performance of this Agreement by executing, acknowledging and delivering a security agreement and a deed of trust or a mortgage, in a recordable form (each in a form satisfactory to PacifiCorp in the reasonable exercise of its discretion). Pending delivery of the senior lien to PacifiCorp, Seller shall not cause or permit the Facility or its assets to be burdened by liens or other encumbrances that would be superior to PacifiCorp's, other than workers', mechanics', suppliers' or similar liens, or tax liens, in each case arising in the ordinary course of business that are either not yet due and payable or that have been released by means of a performance bond posted within eight (8) calendar days of the commencement of any proceeding to foreclose the lien.

**[SKIP THIS SECTION 10.4 UNLESS SELLER SELECTED STEP-IN RIGHTS ALTERNATIVE]**

10.4 Step-in Rights (Operation by PacifiCorp Following Event of Default of Seller).

10.4.1 Prior to any termination of this Agreement due to an Event of Default of Seller, as identified in Section 11, PacifiCorp shall have the right, but not the obligation, to possess, assume control of, and operate the Facility as agent for Seller (in accordance with Seller's rights, obligations, and interest under this Agreement) during the period provided for herein. Seller shall not grant any person, other than the lending institution providing financing to the Seller for construction of the Facility ("Facility Lender"), a right to possess, assume control of, and operate the Facility that is equal to or superior to PacifiCorp's right under this Section 10.4.

10.4.2 PacifiCorp shall give Seller ten (10) calendar days notice in advance of the contemplated exercise of PacifiCorp's rights under this Section 10.4.

Upon such notice, Seller shall collect and have available at a convenient, central location at the Facility all documents, contracts, books, manuals, reports, and records required to construct, operate, and maintain the Facility in accordance with Prudent Electrical Practices. Upon such notice, PacifiCorp, its employees, contractors, or designated third parties shall have the unrestricted right to enter the Facility for the purpose of constructing and/or operating the Facility. Seller hereby irrevocably appoints PacifiCorp as Seller's attorney-in-fact for the exclusive purpose of executing such documents and taking such other actions as PacifiCorp may reasonably deem necessary or appropriate to exercise PacifiCorp's step-in rights under this Section 10.4.

- 10.4.3 During any period that PacifiCorp is in possession of and constructing and/or operating the Facility, no proceeds or other monies attributed to operation of the Facility shall be remitted to or otherwise provided to the account of Seller until all Events of Default of Seller have been cured.
- 10.4.4 During any period that PacifiCorp is in possession of and operating the Facility, Seller shall retain legal title to and ownership of the Facility and PacifiCorp shall assume possession, operation, and control solely as agent for Seller.
- (a) In the event PacifiCorp is in possession and control of the Facility for an interim period, Seller shall resume operation and PacifiCorp shall relinquish its right to operate when Seller demonstrates to PacifiCorp's reasonable satisfaction that it will remove those grounds that originally gave rise to PacifiCorp's right to operate the Facility, as provided above, in that Seller (i) will resume operation of the Facility in accordance with the provisions of this Agreement, and (ii) has cured any Events of Default of Seller which allowed PacifiCorp to exercise its rights under this Section 10.4.
- (b) In the event that PacifiCorp is in possession and control of the Facility for an interim period, the Facility Lender, or any nominee or transferee thereof, may foreclose and take possession of and operate the Facility and PacifiCorp shall relinquish its right to operate when the Facility Lender or any nominee or transferee thereof, requests such relinquishment.
- 10.4.5 PacifiCorp's exercise of its rights hereunder to possess and operate the Facility shall not be deemed an assumption by PacifiCorp of any liability attributable to Seller. If at any time after exercising its rights to take possession of and operate the Facility PacifiCorp elects to return such possession and operation to Seller, PacifiCorp shall provide Seller with at least fifteen (15) calendar days advance notice of the date PacifiCorp intends to return such possession and operation, and upon receipt of such

notice Seller shall take all measures necessary to resume possession and operation of the Facility on such date.

## **SECTION 11: DEFAULTS AND REMEDIES**

11.1 Events of Default. The following events shall constitute defaults under this Agreement:

- 11.1.1 Breach of Material Term. Failure of a Party to perform any material obligation imposed upon that Party by this Agreement (including but not limited to failure by Seller to meet any deadline set forth in Section 2) or breach by a Party of a representation or warranty set forth in this Agreement.
- 11.1.2 Default on Other Agreements. Seller's failure to cure any default under any commercial or financing agreements or instrument (including the Generation Interconnection Agreement) within the time allowed for a cure under such agreement or instrument.
- 11.1.3 Insolvency. A Party (a) makes an assignment for the benefit of its creditors; (b) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy or similar law for the protection of creditors, or has such a petition filed against it and such petition is not withdrawn or dismissed within sixty (60) days after such filing; (c) becomes insolvent; or (d) is unable to pay its debts when due.
- 11.1.4 Material Adverse Change. A Material Adverse Change has occurred with respect to Seller and Seller fails to provide such performance assurances as are reasonably requested by PacifiCorp, including without limitation the posting of additional Default Security, within thirty (30) days from the date of such request;
- 11.1.5 Delayed Commercial Operations. Seller's failure to achieve the Commercial Operation Date by the Scheduled Commercial Operation Date.
- 11.1.6 Underdelivery. If Seller's Facility has a Facility Capacity Rating of 100 kW or less, Seller's failure to satisfy the minimum delivery obligation of Section 4.3 for two (2) consecutive years; else Seller's failure to satisfy the minimum delivery obligation of Section 4.3 for one year.

11.2 Notice; Opportunity to Cure.

- 11.2.1 Notice. In the event of any default hereunder, the non-defaulting Party must notify the defaulting Party in writing of the circumstances indicating the default and outlining the requirements to cure the default.

- 11.2.2 Opportunity to Cure. A Party defaulting under Section 11.1.1 or 11.1.5 shall have thirty (30) days to cure after receipt of proper notice from the non-defaulting Party. This thirty (30) day period shall be extended by an additional ninety (90) days if (a) the failure cannot reasonably be cured within the thirty (30) day period despite diligent efforts, (b) the default is capable of being cured within the additional ninety (90) day period, and (c) the defaulting Party commences the cure within the original thirty (30) day period and is at all times thereafter diligently and continuously proceeding to cure the failure.
- 11.2.3 Seller Default Under Other Agreements. Seller shall cause any notices of default under any of its commercial or financing agreements or instruments to be sent by the other party to such agreements or instruments, or immediately forwarded, to PacifiCorp as a notice in accordance with Section 23.
- 11.2.4 Seller Delinquent on Construction-related Financial Obligations. Seller promptly shall notify PacifiCorp (or cause PacifiCorp to be notified) anytime it becomes delinquent under any construction related financing agreement or instrument related to the Facility. Such delinquency may constitute a Material Adverse Change, subject to Section 11.1.4.

### 11.3 Termination.

- 11.3.1 Notice of Termination. If a default described herein has not been cured within the prescribed time, above, the non-defaulting Party may terminate this Agreement at its sole discretion by delivering written notice to the other Party and may pursue any and all legal or equitable remedies provided by law or pursuant to this Agreement; *provided, however* that PacifiCorp shall not terminate: (a) for a default under Section 11.1.5 unless PacifiCorp is in a resource deficient state during the period Commercial Operation is delayed; or (b) for a default under Section 11.1.6, unless such default is material. The rights provided in Section 10 and this Section 11 are cumulative such that the exercise of one or more rights shall not constitute a waiver of any other rights. Further, the Parties may by mutual written agreement amend this Agreement in lieu of a Party's exercise of its right to terminate.
- 11.3.2 In the event this Agreement is terminated because of Seller's default and Seller wishes to again sell Net Output to PacifiCorp following such termination, PacifiCorp in its sole discretion may require that Seller shall do so subject to the terms of this Agreement, including but not limited to the Contract Price, until the Termination Date (as set forth in Section 2.4). At such time Seller and PacifiCorp agree to execute a written document ratifying the terms of this Agreement.
- 11.3.3 Damages. If this Agreement is terminated as a result of Seller's default, Seller shall pay PacifiCorp the positive difference, if any, obtained by

subtracting the Contract Price from the sum of the Replacement Price for the Minimum Annual Delivery that Seller was otherwise obligated to provide for a period of twenty-four (24) months from the date of termination plus any cost incurred for transmission purchased to deliver the replacement power to the Point of Delivery, and the estimated administrative cost to the utility to acquire replacement power. Amounts owed by Seller pursuant to this paragraph shall be due within five (5) business days after any invoice from PacifiCorp for the same.

11.3.4 If this Agreement is terminated because of Seller's default, PacifiCorp may foreclose upon any security provided pursuant to Section 10 to satisfy any amounts that Seller owes PacifiCorp arising from such default.

#### 11.4 Damages.

11.4.1 Failure to Deliver Net Output. In the event of Seller default under Subsection 11.1.5 or Subsection 11.1.6, then Seller shall pay PacifiCorp the positive difference, if any, obtained by subtracting the Contract Price from the Replacement Price for any energy and capacity that Seller was otherwise obligated (under Section 4.3) to provide during the period of default ("**Net Replacement Power Costs**"); *provided, however*, that the positive difference obtained by subtracting the Contract Price from the Replacement Price shall not exceed the Contract Price, and the period of default under this Section 11.4.1 shall not exceed one Contract Year.

#### 11.4.2 Recoupment of Damages.

- (a) Default Security Available. If Seller has posted Default Security, PacifiCorp may draw upon that security to satisfy any damages, above.
- (b) Default Security Unavailable. If Seller has not posted Default Security, or if PacifiCorp has exhausted the Default Security, PacifiCorp may collect any remaining amount owing by partially withholding future payments to Seller over a reasonable period of time, which period shall not be less than the period over which the default occurred. PacifiCorp and Seller shall work together in good faith to establish the period, and monthly amounts, of such withholding so as to avoid Seller's default on its commercial or financing agreements necessary for its continued operation of the Facility.

## **SECTION 12: INDEMNIFICATION AND LIABILITY**

### 12.1 Indemnities.

12.1.1 Indemnity by Seller. Seller shall release, indemnify and hold harmless PacifiCorp, its directors, officers, agents, and representatives against and from any and all loss, fines, penalties, claims, actions or suits, including costs and attorney's fees, both at trial and on appeal, resulting from, or arising out of or in any way connected with (a) the energy delivered by Seller under this Agreement to and at the Point of Delivery, (b) any facilities on Seller's side of the Point of Delivery, (c) Seller's operation and/or maintenance of the Facility, or (d) arising from this Agreement, including without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property belonging to PacifiCorp, Seller or others, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of PacifiCorp, its directors, officers, employees, agents or representatives.

12.1.2 Indemnity by PacifiCorp. PacifiCorp shall release, indemnify and hold harmless Seller, its directors, officers, agents, Lenders and representatives against and from any and all loss, fines, penalties, claims, actions or suits, including costs and attorney's fees, both at trial and on appeal, resulting from, or arising out of or in any way connected with the energy delivered by Seller under this Agreement after the Point of Delivery, including without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of Seller, its directors, officers, employees, agents, Lenders or representatives.

12.2 No Dedication. Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a Party to this Agreement. No undertaking by one Party to the other under any provision of this Agreement shall constitute the dedication of that Party's system or any portion thereof to the other Party or to the public, nor affect the status of PacifiCorp as an independent public utility corporation or Seller as an independent individual or entity.

12.3 No Consequential Damages. EXCEPT TO THE EXTENT SUCH DAMAGES ARE INCLUDED IN THE LIQUIDATED DAMAGES, DELAY DAMAGES, COST TO COVER DAMAGES OR OTHER SPECIFIED MEASURE OF DAMAGES EXPRESSLY PROVIDED FOR IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, PUNITIVE, INDIRECT, EXEMPLARY OR CONSEQUENTIAL DAMAGES, WHETHER SUCH DAMAGES ARE ALLOWED OR PROVIDED BY CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, STATUTE OR OTHERWISE.

### **SECTION 13: INSURANCE (FACILITIES OVER 200KW ONLY)**

13.1 Certificates. Prior to connection of the Facility to PacifiCorp's electric system, or another utility's electric system if delivery to PacifiCorp is to be accomplished by wheeling, Seller shall secure and continuously carry insurance in compliance with the requirements of this Section. Seller shall provide PacifiCorp insurance certificate(s) (of "ACORD Form" or the equivalent) certifying Seller's compliance with the insurance requirements hereunder. Commercial General Liability coverage written on a "claims-made" basis, if any, shall be specifically identified on the certificate. If requested by PacifiCorp, a copy of each insurance policy, certified as a true copy by an authorized representative of the issuing insurance company, shall be furnished to PacifiCorp.

13.2 Required Policies and Coverages. Without limiting any liabilities or any other obligations of Seller under this Agreement, Seller shall secure and continuously carry with an insurance company or companies rated not lower than "B+" by the A.M. Best Company the insurance coverage specified below:

13.2.1 Commercial General Liability insurance, to include contractual liability, with a minimum single limit of \$1,000,000 to protect against and from all loss by reason of injury to persons or damage to property based upon and arising out of the activity under this Agreement.

13.2.2 All Risk Property insurance providing coverage in an amount at least equal to the full replacement value of the Facility against "all risks" of physical loss or damage, including coverage for earth movement, flood, and boiler and machinery. The Risk policy may contain separate sub-limits and deductibles subject to insurance company underwriting guidelines. The Risk Policy will be maintained in accordance with terms available in the insurance market for similar facilities.

13.3 The Commercial General Liability policy required herein shall include i) provisions or endorsements naming PacifiCorp, its Board of Directors, Officers and employees as additional insureds, and ii) cross liability coverage so that the insurance applies separately to each insured against whom claim is made or suit is brought, even in instances where one insured claims against or sues another insured.

13.4 All liability policies required by this Agreement shall include provisions that such insurance is primary insurance with respect to the interests of PacifiCorp and that any other insurance maintained by PacifiCorp is excess and not contributory insurance with the insurance required hereunder, and provisions that such policies shall not be canceled or their limits of liability reduced without 1) ten (10) days prior written notice to PacifiCorp if canceled for nonpayment of premium, or 2) thirty (30) days prior written notice to PacifiCorp if canceled for any other reason.

13.5 Insurance coverage provided on a "claims-made" basis shall be maintained by Seller for a minimum period of five (5) years after the completion of this Agreement and for such other length of time necessary to cover liabilities arising out of the activities under this Agreement.

## **SECTION 14: FORCE MAJEURE**

14.1 As used in this Agreement, “**Force Majeure**” or “**an event of Force Majeure**” means any cause beyond the reasonable control of the Seller or of PacifiCorp which, despite the exercise of due diligence, such Party is unable to prevent or overcome. By way of example, Force Majeure may include but is not limited to acts of God, fire, flood, storms, wars, hostilities, civil strife, strikes, and other labor disturbances, earthquakes, fires, lightning, epidemics, sabotage, restraint by court order or other delay or failure in the performance as a result of any action or inaction on behalf of a public authority which by the exercise of reasonable foresight such Party could not reasonably have been expected to avoid and by the exercise of due diligence, it shall be unable to overcome, subject, in each case, to the requirements of the first sentence of this paragraph. Force Majeure, however, specifically excludes the cost or availability of fuel or motive force resources to operate the Facility or changes in market conditions that affect the price of energy or transmission. If either Party is rendered wholly or in part unable to perform its obligation under this Agreement because of an event of Force Majeure, that Party shall be excused from whatever performance is affected by the event of Force Majeure to the extent and for the duration of the event of Force Majeure, after which such Party shall recommence performance of such obligation, provided that:

14.1.1 the non-performing Party, shall, within two (2) weeks after the occurrence of the Force Majeure, give the other Party written notice describing the particulars of the occurrence; and

14.1.2 the suspension of performance shall be of no greater scope and of no longer duration than is required by the event of Force Majeure; and

14.1.3 the non-performing Party uses its best efforts to remedy its inability to perform.

14.2 No obligations of either Party which arose before the Force Majeure causing the suspension of performance shall be excused as a result of the event of Force Majeure.

14.3 Neither Party shall be required to settle any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to the Party's best interests.

14.4 PacifiCorp may terminate the Agreement if Seller fails to remedy Seller's inability to perform, due to an event of Force Majeure, within six months after the occurrence of the event.

## **SECTION 15: SEVERAL OBLIGATIONS**

Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or to impose a trust or partnership duty, obligation or liability between the Parties. If Seller includes two or more parties, each such party shall be jointly and severally liable for Seller's obligations under this Agreement.

## **SECTION 16: CHOICE OF LAW**

This Agreement shall be interpreted and enforced in accordance with the laws of the State of Oregon, excluding any choice of law rules which may direct the application of the laws of another jurisdiction.

## **SECTION 17: PARTIAL INVALIDITY**

It is not the intention of the Parties to violate any laws governing the subject matter of this Agreement. If any of the terms of the Agreement are finally held or determined to be invalid, illegal or void as being contrary to any applicable law or public policy, all other terms of the Agreement shall remain in effect. If any terms are finally held or determined to be invalid, illegal or void, the Parties shall enter into negotiations concerning the terms affected by such decision for the purpose of achieving conformity with requirements of any applicable law and the intent of the Parties to this Agreement.

## **SECTION 18: WAIVER**

Any waiver at any time by either Party of its rights with respect to a default under this Agreement or with respect to any other matters arising in connection with this Agreement must be in writing, and such waiver shall not be deemed a waiver with respect to any subsequent default or other matter.

## **SECTION 19: GOVERNMENTAL JURISDICTIONS AND AUTHORIZATIONS**

This Agreement is subject to the jurisdiction of those governmental agencies having control over either Party or this Agreement. Seller shall at all times maintain in effect all local, state and federal licenses, permits and other approvals as then may be required by law for the construction, operation and maintenance of the Facility, and shall provide upon request copies of the same to PacifiCorp.

## **SECTION 20: REPEAL OF PURPA**

This Agreement shall not terminate upon the repeal of the PURPA, unless such termination is mandated by federal or state law.

## **SECTION 21: SUCCESSORS AND ASSIGNS**

This Agreement and all of the terms hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties. No assignment hereof by either Party shall become effective without the written consent of the other Party being first obtained and such consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, either Party may assign this Agreement without the other Party's consent to a lender

as part of a financing transaction or as part of (a) a sale of all or substantially all of the assigning Party's assets, or (b) a merger, consolidation or other reorganization of the assigning Party.

**SECTION 22: ENTIRE AGREEMENT**

22.1 This Agreement supersedes all prior agreements, proposals, representations, negotiations, discussions or letters, whether oral or in writing, regarding PacifiCorp's purchase of Net Output from the Facility. No modification of this Agreement shall be effective unless it is in writing and signed by both Parties.

22.2 By executing this Agreement, Seller releases PacifiCorp from any claims, known or unknown that may have arisen prior to the Effective Date.

**SECTION 23: NOTICES**

23.1 All notices except as otherwise provided in this Agreement shall be in writing, shall be directed as follows and shall be considered delivered if delivered in person or when deposited in the U.S. Mail, postage prepaid by certified or registered mail and return receipt requested.

<b>Notices</b>	<b>PacifiCorp</b>	<b>Seller</b>
<b>All Notices</b>	PacifiCorp 825 NE Multnomah Street Portland, OR 97232 Attn: Contract Administration, Suite 600 Phone: (503) 813 - 5380 Facsimile: (503) 813 - 6291 Duns: 00-790-9013 Federal Tax ID Number: 93-0246090	Cypress Creek Renewables Attn: Asset Management Division 3250 Ocean Park Blvd, Suite 355, Santa Monica, CA 90405 (310) 581.6299
<b>All Invoices:</b>	(same as street address above)  Attn: Back Office, Suite 700 Phone: (503) 813 - 5578 Facsimile: (503) 813 - 5580	Same
<b>Scheduling:</b>	(same as street address above)  Attn: Resource Planning, Suite 600 Phone: (503) 813 - 6090 Facsimile: (503) 813 - 6265	Same
<b>Payments:</b>	(same as street address above)  Attn: Back Office, Suite 700 Phone: (503) 813 - 5578 Facsimile: (503) 813 - 5580	Same
<b>Wire Transfer:</b>	Bank One N.A. ABA: ACCT: NAME: PacifiCorp Wholesale	

Notices	PacifiCorp	Seller
<b>Credit and Collections:</b>	(same as street address above) Attn: Credit Manager, Suite 1900 Phone: (503) 813 - 5684 Facsimile: (503) 813 - 5609	Same
<b>With Additional Notices of an Event of Default or Potential Event of Default to:</b>	(same as street address above) Attn: PacifiCorp General Counsel Phone: (503) 813-5029 Facsimile: (503) 813-7252	Jerome O'Brien Cypress Creek Renewables 3250 Ocean Park Blvd, Suite 355, Santa Monica, CA 90405

23.2 The Parties may change the person to whom such notices are addressed, or their addresses, by providing written notices thereof in accordance with this Section 23.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in their respective names as of the date first above written.

PacifiCorp	NorWest Energy 12, LLC
By: 	By: 
Name: <u>Bruce Griswold</u>	Name: <u>Matt McGovern</u>
Title: <u>Director, Short-Term Origination and QF Contracts</u>	Title: <u>President</u>
Date: <u>May 29, 2015</u>	Date: <u>6/3/2015</u>

BWS 5-11-2015

**EXHIBIT A**  
**DESCRIPTION OF SELLER'S FACILITY**  
**[Seller to Complete]**

Seller's Facility consists of a 8.0MWac solar photovoltaic project including PV panels, inverters, and tracking system. More specifically, the inverter at the Facility is described as:

**Number of Inverters: 10**

**Model:** SMA Sunny Central 800P-US

**Number of Phases: 3**

Rated Output (kW): 850

Rated Output (kVA): 800kVA

Rated Voltage (line to line): 360 Vac

Maximum kW Output: 850 kW      Maximum kVA Output: 880 kVA

Minimum kW Output: 0 kW

Facility Annual Degradation Rate: 0.77

%

Facility Capacity Rating:   8,000   kW.

Identify the maximum output of the generator(s) and describe any differences between that output and the Nameplate Capacity Rating:

The maximum output is 8,800 kVA@25°C. The output de-rates with increased temperature to 8,000 kVA@50°C.

---

**Station service requirements, and other loads served by the Facility, if any, are described as follows:** Station service loads for the Inverters are approximately 584 kWh per year.

Transformer: -   80   % , Tracker Motor:-   10   % , Data Acquisition and Aux Loads: -   10   %

---

Values above are percentage loss of Total output and losses are already accounted for in the expected output in Exhibit D-1.

---

**Location of the Facility:** The Facility is to be constructed in the vicinity of Merrill in Klamath County, Oregon . The location is more particularly described as follows:

GPS: 42° 1'40.51"N, 121°37'15.93"W

Parcel ID: R-4110-00300-1600/002100/ R-4110-00200-0700/00600

**Power factor requirements:**

Rated Power Factor (PF) or reactive load (kVAR): Power factor requirements will meet PacifiCorp standard interconnection procedures.

A more detailed and updated Exhibit A will be provided per section 6.1

## **EXHIBIT B**

### **SELLER'S INTERCONNECTION FACILITIES**

[Seller to provide its own diagram and description]

### **POINT OF DELIVERY / SELLER'S INTERCONNECTION FACILITIES**

Instructions to Seller:

1. Include description of point of metering, and Point of Delivery
2. Provide interconnection single line drawing of Facility including any transmission facilities on Seller's side of the Point of Delivery.
  1. The project is located on Circuit 5L26, Lake (Merrill), out of the Merrill substation. The metering will be installed at the Point of Interconnection. Delivery will be at the Change of Ownership identified in PacifiCorp's one-line diagram from the System Impact Study Q0618.
  2. The project site map and one-line diagram are attached.

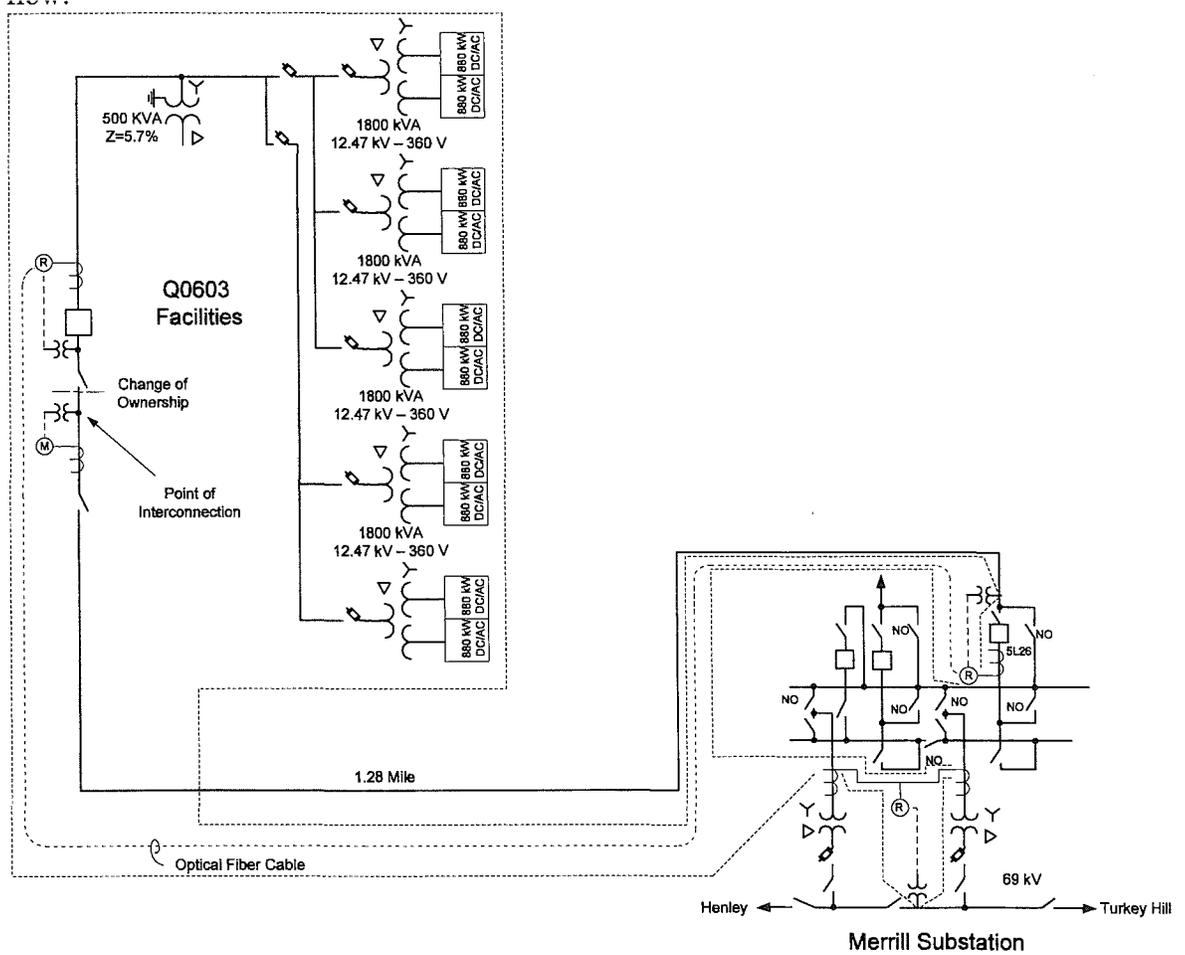


Figure 2: System One Line Diagram



Falvey Solar

Merri, OR 97633, USA

39

Klamath Falls-Main Hwy

Subs

N-Jefferson-St

Merri

N-Garfield-St-S-Garfield

N-Oak-St

N-Grant-St

W-1st-St

E-Count-Dr

© 2014 Google

GOO

**EXHIBIT C**  
**REQUIRED FACILITY DOCUMENTS**

**REQUIRED OF ALL FACILITIES:**

QF Certification: QF14-732-000

Interconnection Agreement: Due August 31<sup>st</sup>, 2015

Fuel Supply Agreement, if applicable: NA

Purchase Agreement: Between Cypress Creek Renewables, LLC and James and Cheryl Moore dated August 7th, 2014 and assigned to NorWest Energy 12 on 8/7/14

Retail Electric Service Agreement:

Permits:

- Conditional Use Permit or alternative zoning approval as applicable by the local jurisdiction
- Building Permit
- Electrical Permit (as applicable)
- 1200C Construction Stormwater General Permit (as applicable)

**REQUIRED IF SELLER ELECTS TO GRANT SENIOR LIEN OR STEP-IN RIGHTS:**

Deed or Lease to Facility Premises

Preliminary Title Report of Premises

Proof of ownership of Facility

Off-take sale agreements, e.g. surplus heat sale contract, if applicable

Depending upon the type of Facility and its specific characteristics, additional Required Facility Documents may be requested.



Sale Agreement # 0514Tkn1

FINAL AGENCY ACKNOWLEDGMENT

1 Both Buyer and Seller acknowledge having received the Oregon Real Estate Agency Disclosure Pamphlet, and hereby acknowledge and consent
2 to the following agency relationships in this transaction: (1) Terry K Nash (Name of Selling Licensee)
3 of Coldwell Banker Holman Premier Realty (Name of Real Estate Firm) is the agent of (check one);
4 Buyer exclusively ("Buyer Agency"), Seller exclusively ("Seller Agency"), [X] Both Buyer and Seller ("Disclosed Limited Agency").
5 (2) Terry K Nash (Name of Listing Licensee)
6 of Coldwell Banker Holman Premier Realty (Name of Real Estate Firm) is the agent of (check one);
7 Seller exclusively ("Seller Agency"), [X] Both Buyer and Seller ("Disclosed Limited Agency").
8 (3) If both parties are each represented by one or more Licensees in the same Real Estate Firm, and the Licensees are supervised by the same
9 principal broker in that Real Estate Firm, Buyer and Seller acknowledge that said principal broker shall become the disclosed limited agent for both
10 Buyer and Seller as more fully explained in the Disclosed Limited Agency Agreements that have been reviewed and signed by Buyer, Seller and
11 Licensee(s).
12 Buyer shall sign this acknowledgment at the time of signing this Agreement before submission to Seller. Seller shall sign this acknowledgment at
13 the time this Agreement is first submitted to Seller, even if this Agreement will be rejected or a counter offer will be made. Seller's signature to this
14 Final Agency Acknowledgment shall not constitute acceptance of this Agreement or any terms therein.

15 Buyer [Signature] Print Cypress Creek Renewables, LLC Date 08/06/2014
16 Buyer Print Date
17 Seller James L Moore Print James L Moore Date JM
18 Seller Cheryl L Moore Print Cheryl L Moore Date 07-Aug-2014

FARMS, RANCHES, ACREAGE & NATURAL RESOURCE PROPERTY REAL ESTATE SALE AGREEMENT

10 This Agreement is intended to be a legal and binding contract.
20 If it is not understood, seek competent legal advice before signing. Time is of the essence of this Agreement.

21 1. DEFINITIONS: All references in this Agreement to "Licensee" and "Firm" shall refer to Buyer's and Seller's real estate agents licensed in the
22 State of Oregon and the respective real estate companies with which they are affiliated. Licensee(s) and Firm(s) identified in the Final Agency
23 Acknowledgment Section above are not parties to this Agreement, except as may be expressly applicable. Unless otherwise provided herein: (1)
24 Time calculated in days after the date Buyer and Seller have signed this Agreement shall start on the first full business day after the date of Seller's
25 signature indicating acceptance of Buyer's offer or counteroffer, or Buyer's signature indicating acceptance of Seller's counteroffer; (2) Written
26 notices required or permitted under this Agreement to be delivered to Buyer or Seller may be delivered to their respective Licensee with the same
27 effect as if delivered to that Buyer or Seller; (3) A "business day" shall mean Monday through Friday, except recognized legal holidays as
28 enumerated in ORS 187.010 and 187.020.

29 2.1 PRICE/PROPERTY DESCRIPTION: Buyer (print name(s)) Cypress Creek Renewables, LLC or its assigns
30 offers to purchase from Seller (print name(s)) James L Moore, Cheryl L Moore

31 the following described real property, consisting of \_\_\_\_\_ acres, more or less (hereinafter "the Property") situated in the State of Oregon, County
32 of Klamath, and commonly known as (insert street address, city, zip code, tax identification number, lot/block
33 description, etc.).

34 R-4110-00300-1600/002100/R-4110-00200-00700/00600/ 13777 Felvey Road

35 (Buyer and Seller agree that if it is not provided herein, a complete legal description as provided by the title insurance company in accordance with
36 Section 5, below, shall, where necessary, be used for purposes of legal identification and conveyance of title.)

37 for the Purchase Price (in U.S. currency) of \$ 195,000.00

38 on the following terms: Earnest money heretofore collected for B \$ 6,000.00

39 on \_\_\_\_\_ as additional earnest money, the sum of O \$ \_\_\_\_\_

40 at or before Closing, the balance of down payment D \$ \_\_\_\_\_

41 at Closing and upon delivery of [X] DEED [ ] CONTRACT the balance of the Purchase Price E \$ 189,000.00

(Lines B, C, D and E should equal Line A)

Buyer Initials JFO Date 08/06/2014

Seller Initials JM / CM Date 07-Aug-2014

This form has been licensed for use solely by Terry Nash pursuant to a Forms License Agreement with Oregon Real Estate Forms, LLC.
LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE AND DATE
Copyright Oregon Real Estate Forms, LLC 2000-2014 www.orefonline.com
No portion may be reproduced without express permission of Oregon Real Estate Forms, LLC OREF-005



Sale Agreement# 05142kn1

45 2.2 BALANCE OF PURCHASE PRICE. (Select A or B)

46 A.  This is an all cash transaction. Buyer to provide verification ("Verification") of readily available funds as follows (select only one):  Buyer  
47 has attached a copy of the Verification with the submission of this Agreement to Seller or Listing Licensee.  Buyer will provide Seller or Listing  
48 Licensee with the Verification within 6 business days (five (5) if not filled in) following mutual acceptance of this Agreement; or  Other  
49 (Describe):

50 Seller may notify Buyer or Buyer's Licensee, in writing, of Seller's unconditional disapproval of the Verification within \_\_\_\_\_ business days (five (5)  
51 if not filled in) ("Disapproval Period") following its receipt by Seller or Listing Licensee, in which case, all earnest money deposits shall be promptly  
52 refunded and this transaction shall be terminated. If Seller fails to provide Buyer or Selling Licensee with written unconditional disapproval  
53 of the Verification by Midnight of the Disapproval Period, Seller shall be deemed to have approved the Verification. If Buyer fails to  
54 submit a Verification within a time frame selected above, unless the parties agree otherwise in writing, all earnest money deposits shall  
55 be promptly refunded and this transaction shall be terminated.

56 B.  Balance of Purchase Price to be financed as follows (Select only one):  Conventional;  
57  Other (Describe): \_\_\_\_\_ (hereinafter "Loan  
58 Program"). Buyer agrees to seek financing through a lending institution ("Lender") participating in the Loan Program identified above.

59 Pre-Approval Letter.  Buyer has attached a copy of a Pre-Approval Letter from Buyer's Lender or mortgage broker;  Buyer does not have a  
60 Pre-Approval Letter at the time of making this offer;  Buyer agrees to secure a Pre-Approval Letter as follows: \_\_\_\_\_  
61

62 3.1 FINANCING CONTINGENCIES. If Buyer is financing any portion of the Purchase Price, this transaction is subject to the following financing  
63 contingencies: (1) Buyer and the Property to qualify for the loan from Lender; (2) Lender's appraisal shall not be less than the Purchase Price; and  
64 3) Other (Describe): \_\_\_\_\_  
65

66 All Financing Contingencies are solely for Buyer's benefit and may be waived by Buyer in writing at any time.

67 3.2 FAILURE OF FINANCING CONTINGENCIES. If Buyer receives actual notification that any Financing Contingencies identified above have  
68 failed or otherwise cannot occur, Buyer shall promptly notify Seller, and the parties shall have \_\_\_\_\_ business days (two (2) if not filled in) following  
69 the day of Seller's receipt of such notification to either (a) Terminate this transaction by signing a Termination Agreement (OREF-057) or such other  
70 similar form as may be provided by Escrow; or (b) Reach a written mutual agreement upon such price and terms that will permit this transaction to  
71 continue. Neither Seller nor Buyer is required under the preceding provision (b) to reach such agreement. If (a) or (b) fail to occur within the time  
72 period identified herein, this transaction shall be automatically terminated and all earnest money shall be promptly refunded to Buyer. Buyer  
73 understands that upon termination of this transaction, Seller shall have the right to immediately place the Property back on the market for sale upon  
74 any price and terms as Seller determines, in Seller's sole discretion.

75 3.3 BUYER REPRESENTATION REGARDING FINANCING: As of the date of signing this Agreement, Buyer makes the following  
76 representations to Seller:

77 (1) Buyer shall apply for a loan not later than \_\_\_\_\_ business days (three (3) if not filled in) following the date Buyer and Seller have signed this  
78 Agreement, and will thereafter complete all reasonably necessary papers in a timely manner and exercise best efforts (including payment of all  
79 application, appraisal and processing fees, where applicable) to obtain the loan;

80 (2) Buyer shall make a good faith effort to secure the ordering of the Lender's appraisal no later than expiration of the Inspection Contingency  
81 Period in Section 2.1.2 of this Agreement, or if the Professional Inspection Addendum (OREF-058) is used, expiration of the Inspection Period.

82 (3) Buyer currently has liquid and available funds for the earnest money deposit and down payment, sufficient to close the transaction described  
83 herein, and is not relying upon any contingent source of funds (e.g., from loans, gifts, sale or closing of other property, 401K disbursements, etc.),  
84 except as follows (describe): \_\_\_\_\_  
85

86 (4) Buyer authorizes Buyer's Lender or mortgage broker to provide non-confidential information to Listing and Selling Licensees regarding Buyer's  
87 loan application status.

88 (5) Buyer shall promptly notify Seller or Seller's Licensee if, after signing this Agreement, Buyer substitutes another lender for any reason. Buyer  
89 shall not be permitted to select a Loan Program different than the one selected in Section 2.2 (B) above, without Seller's advance written consent.

90 (6) Buyer agrees to keep Seller promptly informed of all other material non-confidential developments regarding Buyer's financing and the timing of  
91 closing.

92 3.4 INSURANCE: If the Property is located in a designated flood zone, Buyer acknowledges that flood insurance may be required as a condition  
93 of the new loan. Buyer is encouraged to promptly verify the availability and cost of property/casualty/flood insurance that will be secured for the  
94 Property.  
95

Buyer Initials \_\_\_\_\_ / \_\_\_\_\_ Date \_\_\_\_\_  
This form has been licensed for use solely by Terry Nash pursuant to a Forms License Agreement with Oregon Real Estate Forms, LLC.

Seller Initials TM / GM Date 07-Aug-2014



Sale Agreement # 0514Tkn1

96 4. ADDITIONAL PROVISIONS: Offer subject to completion of satisfactory Due Diligence by buyer See
97 Addendum 1
98
99
100
101 For additional provisions, see Addendum 1

102 5. TITLE INSURANCE: Unless otherwise provided herein, this transaction is subject to Buyer's review and approval of a preliminary title report
103 and the recorded covenants, conditions and restrictions ("the Report and CC&Rs") showing the condition of title to the Property. (If not fully
104 understood, Buyer should immediately contact the title insurance company for further information or seek competent legal advice.
105 Neither the Listing nor Selling Licensee is qualified to advise on specific legal or title issues.) Upon signature and acceptance of this
106 Agreement by Buyer and Seller, Seller will, at Seller's sole expense, promptly order the Report and CC&Rs from an Oregon title insurance
107 company and furnish them to Buyer. Upon receipt of the Report and CC&Rs, Buyer shall have 10 business days (five (5) if not filled in) within
108 which to notify Seller, in writing, of any matters disclosed in the Report and CC&Rs which is/are unacceptable to Buyer ("the Objections"). Buyer's
109 failure to timely object, in writing, to any matters disclosed in the Report and/or CC&Rs shall constitute acceptance of the report and/or CC&Rs.
110 However, Buyer's failure to timely object shall not relieve Seller of the duty to convey marketable title pursuant to Section 7 below. If, within 10
111 business days (five (5) if not filled in) following receipt of the Objections, if any, Seller fails to remove or correct the matters identified in the
112 Objections, or does not give written assurances reasonably satisfactory to Buyer that they will be removed or corrected, all earnest money shall be
113 promptly refunded to Buyer and this transaction shall be terminated. This contingency is solely for Buyer's benefit and may be waived by Buyer in
114 writing. Within thirty (30) days after Closing, Seller shall furnish to Buyer an owner's standard form policy of title insurance insuring marketable title
115 in the Property to Buyer in the amount of the purchase price, free and clear of the Objections and all other title exceptions agreed to be removed as
116 a part of this transaction. (Note: This Section 5 provides that Seller will pay for Buyer's standard owner's policy of title insurance. In some
117 areas of the county, such a payment might be regarded as a "seller concession." Under the amended Real Estate Settlement
118 Procedures Act ("RESPA"), effective on January 1, 2010 there are limitations, regulations and disclosure requirements on "seller
119 concessions" unless the product or service paid by the Seller was one customarily paid by the Seller. In Oregon, sellers customarily and
120 routinely pay for their buyer's standard owner's policy of title insurance. Accordingly, unless the terms of this Section 5 are modified in
121 writing by Buyer and Seller, the parties acknowledge, agree and so instruct Escrow, that in this transaction, Seller's payment of Buyer's
122 standard owner's policy of title insurance is not a "seller concession" under RESPA or any other federal or state law.)

123 6. IRC 1031 EXCHANGE: In the event Buyer or Seller elects to complete an IRC 1031 exchange in this transaction, the other party agrees to
124 cooperate with them and the accommodator, if any, in a manner necessary to complete the exchange, so long as it will not delay the Close of
125 escrow or cause additional expense or liability to the cooperating party. Unless otherwise provided herein, this provision shall not become a
126 contingency to the Closing of this transaction.

127 7. DEED: Seller shall convey marketable title to the Property by statutory warranty deed (or good and sufficient personal representative's or
128 trustee's or similar legal fiduciary's deed, where applicable) free and clear of all liens of record, except property taxes which are a lien but not yet
129 payable, zoning ordinances, building and use restrictions, reservations in Federal patents, easements of record which affect the Property,
130 covenants, conditions and restrictions of record, and those matters accepted by Buyer pursuant to Section 5 above.

131 b. SELLER-CARRIED FINANCING (E.G. LAND SALE CONTRACT/TRUST DEED/MORTGAGE/OPTION AGREEMENTS, RENT-TO-OWN,
132 ETC.): Note: State and federal laws and regulations provide that under certain circumstances, offering or negotiating the terms of seller-carried
133 financing must be performed by a Mortgage Loan Originator (see, ORS80A.200(4)), and the terms of such financing may have to comply with
134 certain consumer protection disclosures rules. Your real estate licensee is not qualified to provide these services or to advise you in this regard.
135 Legal advice is strongly recommended.

136 If this transaction is to include a land sale contract, trust deed, mortgage or option agreement between Buyer and Seller, the parties shall agree
137 upon the terms and conditions of such document not later than \_\_\_\_\_ business days (ten (10) if not filled in) after the date Buyer and Seller
138 have signed and accepted this Sale Agreement. Upon failure of Buyer and Seller to reach agreement as to the terms and conditions of the
139 document within said time period, this transaction shall automatically terminate, all parties shall cooperate in signing such documentation
140 reasonably necessary to effect a termination of this transaction and a refund of all deposits, if any, to Buyer. caveat: The additional documents
141 identified in this Section 8 can have legally binding consequences, and Buyer and Seller are strongly encouraged to secure competent
142 legal advice before entering into such agreements. If Escrow (as defined in Section 23) is instructed to prepare the note and trust deed

Buyer Initials JFD Date 08/06/2014

Seller Initials JM / CM Date 07-Aug-2014



Sale Agreement # 0514Tkn1

143 or mortgage to be used in this transaction, state statute requires that Buyer and Seller receive from Escrow, at least three (3) days prior
144 to Closing (as defined in Section 24), a statutory notice and a copy of the proposed documents. This requirement cannot be waived by
145 Buyer or Seller without the approval of both of their respective Oregon-licensed attorneys.

146 9. UCC FILINGS: All UCC filings on any crops, livestock, and/or equipment being purchased as part of this transaction shall be terminated by
147 Seller on or before the Closing Date.

148 10. FIXTURES: All fixtures (including remote controls and essential related equipment) are to be left upon the Property. Fixtures shall include but
149 not be limited to: built-in appliances; attached floor coverings; drapery rods and curtain rods; window and door screens; storm doors and windows;
150 system fixtures (irrigation, plumbing, ventilating, cooling and heating); annually affixed irrigation pumps; water heaters; attached electric lights and
151 bathroom fixtures; light bulbs, fluorescent lamps; window blinds; awnings; fences and gates; all planted shrubs, plants and trees; and affixed trade
152 equipment and machinery (e.g., electric fence chargers, all water troughs, above ground storage tanks, etc.) EXCEPT:
153 \_\_\_\_\_
154 \_\_\_\_\_
155 \_\_\_\_\_

156 11. PERSONAL PROPERTY: Only the following personal property, in "AS-IS" condition is included in the purchase price whael Line 6
157 Main Line For Irrigation

158 \_\_\_\_\_ at a value \$ \_\_\_\_\_
159 See Addendum \_\_\_\_\_ for list of personal property. All personal property transfers will be by good and sufficient bill of sale.

160 12. ALARM SYSTEM:  NONE  OWNED  LEASED. If leased, Buyer  will  will not assume the lease at Closing.

161 13. WOODSTOVE/FIREPLACE INSERT: Does the Property contain a woodstove or fireplace insert?  Yes  No
162 Is the woodstove or fireplace insert certified?  Yes  No  Unknown If "No" or "Unknown," Seller to provide Buyer with OREF-046
163 Woodstove/Fireplace Insert Addendum.

164 14. CROPS/TIMBER: All currently growing crops (including timber) and any crops planted before Closing, are to be the property of  Buyer
165  Seller  Leaseholder. Prior to Closing, the responsibility for maintaining said crops shall belong to  Buyer  Seller  Leaseholder. If crops
166 belong to Seller or Leaseholder and are to remain the property of Seller or Leaseholder after Closing, harvesting of said crops shall be not later
167 than insert date November 1, 2014. Any outstanding contracts for crops grown or to be grown on the Property shall belong to  Buyer
168  Seller  Leaseholder. All provisions of this clause shall be subject to ORS 91.230 - Farm Tenant's Right to Emblements. The parties agree to
169 abide by forestry regulations for harvesting and reforestation.

170 15. PUBLIC AND PRIVATE GRAZING RIGHTS: All public lands grazing permit(s)/lease(s) (collectively "public grazing rights"), if any, are
171 included in this purchase. Provided however, Buyer understands that Buyer may be required to make application to the Bureau of Land
172 Management or U.S. Forest Service for approval of the transfer of all public grazing rights to Buyer. All private leases and/or grazing contracts
173 (collectively "private grazing rights") associated with the Property  are  are not included in this transaction. If such public or private grazing
174 rights are to be acquired by Buyer, this transaction is subject to Buyer's review and approval of all such rights, including but not limited to grazing
175 permits, leases or contracts to be acquired as a part of this transaction. Upon execution of this Agreement by Buyer and Seller, Seller shall
176 promptly obtain and furnish to Buyer copies of those documents reasonably describing the public and/or private grazing rights affecting the
177 Property. Upon receipt thereof, Buyer shall have \_\_\_\_\_ business days (five [5] if not filled in) thereafter within which to notify Seller, in writing, of
178 Buyer's disapproval of such public and/or private grazing rights and election to terminate this transaction, in which case, all earnest money shall be
179 promptly refunded to Buyer and this transaction shall be terminated. Buyer's failure to notify Seller in writing of Buyer's dissatisfaction with
180 such public or private grazing rights within the time identified in this Section 15, shall constitute approval of such rights.

181 16. LENDER SHARES: If, as part of this transaction, Buyer will be assuming a loan from an entity that requires purchase of shares in said entity,
182 such as Farm Credit Services, then those shares  shall  shall not be a part of the purchase price identified at Section 2 above. If said shares
183 are not a part of the purchase price, Buyer and Seller shall reach mutual written agreement as to such price and stock ownership requirements
184 within \_\_\_\_\_ business days (ten [10] if not filled in) from the date this Agreement is signed by Buyer and Seller.

185 17. RANCH NAME/REGISTERED BRAND(S): The ranch or business name shall:  remain with Seller;  transfer to Buyer. The registered
186 Ranch Brand(s) shall:  remain with Seller;  transfer to Buyer.

Buyer Initials FO Date 08/06/2014

Seller Initials M / GM Date 07-Aug-2014



Sale Agreement # 0514Txn1

187 10. SELLER REPRESENTATIONS: Subject to other written disclosures made by Seller as a part of this transaction, Seller makes the  
 188 following representations to Buyer:  
 189 (1) The primary dwelling(s), if any, is/are connected to (check all that apply):  a public sewer system;  an on-site sewage system;  
 190  a public water system;  a private well and/or shared well;  other (e.g., surface springs, cistern, etc.).  
 191 (2) At the earlier of possession or Closing Date, the dwelling will have one or more operating smoke alarms, smoke detectors and  
 192 carbon monoxide detectors as required by law. (See <http://www.oregon.gov/OSPI/OSFM>)  
 193 (3) Seller has no knowledge of any hazardous substances in or about the Property other than substances (if any) contained in  
 194 appliances and equipment. Buyer acknowledges that asbestos commonly exists in insulation, ceilings, floor coverings and other areas  
 195 in residential housing and may exist in the Property.  
 196 (4) Seller knows of no material defects in or about the Property.  
 197 (5) All electrical wiring, heating, cooling, plumbing and irrigation equipment and systems and the balance of the Property, including the  
 198 yard, personal property, crops, and other assets included in the purchase shall be in substantially its present condition at the time Buyer  
 199 is entitled to possession.  
 200 (6) Seller has no notice of any liens or assessments to be levied against the Property.  
 201 (7) Seller has no notice from any government agency of any violation of law relating to the Property.  
 202 (8) Seller has no knowledge of any of the following matters affecting the use or operation of the Property: (a) past or present non-  
 203 resource uses (e.g. cemeteries, landfills, dumps, etc.); (b) unrecorded access easements or agreements (e.g. for harvesting, fishing,  
 204 hunting, livestock movement and pasture, etc.); (c) state or federal agreements/requirements regarding crops, grazing, reforestation,  
 205 etc.; (d) supplier agreements, production processing commitments or other similar contracts.  
 206 (9) Well(s), water source(s), and/or water district resources have been adequate under Seller's current usage of the Property.  
 207 (10) Water rights (e.g., irrigation, agricultural), for not less than 30 acres, have been utilized and applied for beneficial use within the  
 208 last five (5) years and are current and shall be transferred to Buyer at Closing. Water rights may be subject to certain conditions. Buyer  
 209 should verify compliance with appropriate agency.  
 210 (11) Seller is not a "foreign person" under the Foreign Investment in Real Property Tax Act ("FIRPTA") as defined in this Agreement.  
 211 (12) Seller knows of no material discrepancies between visible lines of possession and use (such as existing fences, hedges,  
 212 landscaping, structures, driveways, and other such improvements) currently existing on the Property offered for sale and the legal  
 213 description of the Property.  
 214 (13) Seller will keep the Property fully insured, including but not limited to casualty and liability insurance for crops currently being fully  
 215 insured and included in the purchase. Seller to maintain all insurance policies currently in force on any property being purchased until  
 216 date Buyer is entitled to possession.  
 217 Seller agrees to promptly notify Buyer, if prior to Closing, Seller receives actual notice of any event or condition which could result in  
 218 making any previously disclosed material information relating to the Property substantially misleading or incorrect. These  
 219 representations are made to the best of Seller's knowledge. Seller may have made no investigation.  
 220 Exceptions to Items (1) through (13) are: No Exceptions  
 221 \_\_\_\_\_  
 222 \_\_\_\_\_  
 223 \_\_\_\_\_  
 224 Buyer acknowledges that the above representations are not warranties regarding the condition of the Property and are not a substitute  
 225 for, nor in lieu of, Buyer's own responsibility to conduct a thorough and complete independent investigation, including the use of  
 226 professionals, where appropriate, regarding all material matters bearing on the condition of the Property, its value and its suitability for  
 227 Buyer's intended use. Neither the Listing nor Selling Licensee shall be responsible for conducting any inspection or investigation of any  
 228 aspects of the Property.  
 229 10. "AS-IS": Except for Seller's express written agreements and written representations contained herein, and Seller's Property  
 230 Disclosure, if any, Buyer is purchasing the Property "AS-IS," in its present condition and with all defects apparent or not apparent. This  
 231 provision shall not be construed to limit Buyer's right to implied now home warranties, if any, that may otherwise exist under Oregon law.  
 232 20. PRIVATE WELL: Does the Property contain a Private Well?  Yes  No If the property contains a private well, the OREI-082 Private  
 233 Well Addendum will be attached to this Sale Agreement.  
 234

INSPECTIONS: (CHECK ONLY ONE BOX)

Buyer Initials JFO Date 08/06/2014

Seller Initials PM / GM Date 07-Aug-2014



Sale Agreement # 0514Tkn1

235 21.1 ENVIRONMENTAL HEALTH CONDITIONS: The following list identifies some, but not all, environmental conditions that may be found in and
236 around all real property that may affect health: Asbestos, carbon monoxide, electric and magnetic fields, formaldehyde, lead and other
237 contaminants in drinking water and well water, lead based paint, mold and mildew, radon, and leaking underground storage tanks. If Buyer has
238 any concerns about these conditions or others, Buyer is encouraged to secure the services of a professional inspector, consultant, or health
239 expert, for information and guidance. Neither the listing nor selling licensees are experts in environmental health hazards or conditions. For
240 additional information, go to the Oregon Association of Realtors' Buyer Advisory at: <http://www.oregonrealtors.org> and the Oregon Public Health
241 Division at <http://public.health.oregon.gov/Pages/Homes.aspx>.

242 21.2 INSPECTIONS: Buyer understands that it is advisable to have a complete inspection of the Property by qualified professional(s)
243 relating to such matters as structural condition, soil condition/compaction/stability, environmental issues, survey, zoning, operating
244 systems, and suitability for the Buyer's intended purpose. Neither Listing nor Selling Licensee is qualified to conduct such inspections
245 and shall not be responsible to do so. For further details, Buyer is encouraged to review the Buyer Advisory at
246 "<http://www.oregonrealtors.org>".

247  PROFESSIONAL INSPECTIONS: At Buyer's expense, Buyer may have the Property and all elements and systems thereof inspected by
248 one or more professionals of Buyer's choice. Provided, however, Buyer must specifically identify in this Agreement any desired inspections which
249 may include testing or removal of any portion of the Property including radon and mold. Buyer understands that Buyer is responsible for the
250 restoration of the Property following any inspection(s)/test(s) performed by Buyer or on Buyer's behalf. Buyer shall have \_\_\_\_\_ business days
251 (ten (10) if not filled in), after the date Buyer and Seller have signed this Agreement (hereinafter "the Inspection Period") in which to complete all
252 inspections and negotiations with Seller regarding any matters disclosed in any inspection report. However, during the Inspection Period, Seller
253 shall not be required to modify any terms of this transaction already reached with Buyer. Unless a written and signed modification is reached, at
254 any time during the Inspection Period, Buyer may notify Seller or Listing Licensee, in writing, of Buyer's unconditional disapproval of the Property
255 based on any inspection report(s), in which case, all earnest money deposits shall be promptly refunded and this Agreement shall be terminated.
256 Buyer shall promptly provide a copy of all reports to Seller only if requested by Seller. If Buyer fails to provide Seller or Listing Licensee with
257 written unconditional disapproval of any inspection report(s) by midnight of the final day of the Inspection Period, Buyer shall be
258 deemed to have accepted the condition of the Property. Note that if, prior to expiration of the Inspection Period, written agreement is
259 reached with Seller regarding ALL Buyer's requested repairs, the Inspection Period shall automatically terminate, unless the parties
260 agree otherwise in writing.

261  ALTERNATIVE INSPECTION PROCEDURES: OREF-056 PROFESSIONAL INSPECTION ADDENDUM OR OTHER INSPECTION
262 ADDENDUM 1 is attached to this Agreement.

263  BUYER'S WAIVER OF INSPECTION CONTINGENCY: Buyer represents to Seller and all licensees and firms that Buyer is fully satisfied
264 with the condition of the Property and all elements and systems thereof and knowingly and voluntarily elects to waive the right to have any
265 inspections performed as a contingency to the Closing of this transaction. Buyer's election to waive the right of inspection is solely Buyer's decision
266 and at Buyer's own risk.

267 22. LEAD-BASED PAINT CONTINGENCY PERIOD: If the Property was constructed before 1978, a Lead-Based Paint Disclosure
268 Addendum (hereinafter "the Disclosure Addendum") shall be promptly signed by Buyer, Seller and Listing and Selling Licensees, and
269 become a part of this Agreement. Buyer shall also be provided with a pamphlet entitled "Protect Your Family From Lead in Your Home."
270 Buyer shall have 10 calendar days (ten (10) unless a greater number is filled in) within which to conduct a lead-based paint
271 assessment or inspection (hereinafter referred to as "the Lead-Based Paint Contingency Period"), which shall commence immediately
272 when Buyer and Seller sign the Disclosure Addendum. Unless the opportunity to conduct a risk assessment or inspection is expressly
273 waived in the Disclosure Addendum, Buyer may, in writing, unconditionally cancel this transaction during the Lead-Based Paint
274 Contingency Period and receive a prompt return of all earnest money deposits. Buyer understands that the failure to give timely written
275 notice of cancellation prior to midnight on the last day of the Lead-Based Paint Contingency Period shall constitute acceptance of the
276 condition of the Property as it relates to the presence of lead-based paint or lead-based paint hazards.
277  OREF-021 Lead-Based Paint Disclosure Addendum is attached to this Agreement.

278 23. ESCROW: This transaction shall be Closed at Amerititle w/Cherice Treasura
279 ("Escrow"), a neutral escrow located in the State of Oregon. Costs of Escrow shall be shared equally between Buyer and Seller, unless Buyer is
280 financing through Federal VA, in which case Seller shall pay all Escrow costs.
281 Unless otherwise provided herein, the parties agree as follows: Seller authorizes Listing Firm to order a preliminary title report and owner's title
282 policy at Seller's expense and further authorizes Escrow to pay out of the cash proceeds of sale the expense of furnishing such policy, Seller's
283 recording fees, Seller's Closing costs and any encumbrances on the Property payable by Seller on or before Closing. Buyer shall deposit with
284 Escrow sufficient funds necessary to pay Buyer's recording fees, Buyer's Closing costs, and lender's fees, if any. Real estate fees, commissions or
285 other compensation for professional real estate services provided by Listing and/or Selling Firms shall be paid at Closing in accordance with the
286 listing agreement, buyer service agreement or other written agreement for compensation.

Buyer Initials JFO Date 08/06/2014

Seller Initials JM / CM Date 07-Aug-2014



Sale Agreement # 0514TKn1

287 24. CLOSING: Closing shall occur on a date mutually agreed upon by Buyer and Seller, but in no event later than 02/13/2015
288 ("the Closing Deadline"). The terms "Closing", "Closed", or "Closing Date" shall mean when the deed or contract is recorded and funds
289 are available to Seller. Buyer and Seller acknowledge that for Closing to occur by the Closing Deadline it may be necessary to execute
290 documents and deposit funds in Escrow prior to that date.  caveat: Section B above requires three (3) days prior to the Closing Deadline
291  if Escrow is to prepare a note and a deed of trust or mortgage,

292 25. POSSESSION: Seller shall remove all personal property (including trash and debris) that is not a part of this transaction and deliver
293 possession of the Property to Buyer (select one):
294 (1)  by 5:00 p.m. on Closing;
295 (2)  by 5  a.m.  p.m., 45 days after Closing;
296 (3)  by  a.m.  p.m. on the  day of 
297 If a tenant is currently in possession of the Property (check one):  Buyer will accept tenant at Closing;  Seller shall have full responsibility for
298 removal of tenant prior to Closing.

299 26. SELLER POSSESSION AFTER CLOSING: In the event that Buyer and Seller have agreed that Seller will deliver possession after Closing,
300 Seller shall pay as consideration \$\_\_\_\_\_ per day for each day after Closing that Seller is to remain in possession of the Property. Such
301 payment shall be made by Seller through Escrow at the time of Closing and no landlord-tenant relationship shall be created thereby, so long as
302 Seller's possession does not exceed ninety (90) days after the date of Closing.
303  OREF-054 Agreement to Occupy After Closing or Addendum \_\_\_\_\_, is attached to this Agreement.

304 27. PRORATIONS: Prorates for tenant rents, irrigation fees, grazing rights fees, leases, current year's taxes, interest on assumed obligations, and
305 other prepaid expenses attributable to the property shall be as of: (check one)  the Closing Date;  date Buyer is entitled to possession; or
306  (inset date) \_\_\_\_\_. Income from land leases and/or government contracts, such as Conservation Reserve Program (CRP)
307 set-aside, shall be prorated for the current year. Unless otherwise agreed, all subsequent payments from such mentioned contracts made after
308 Closing, shall be paid to Buyer.

309 28. UTILITIES/FUEL: Seller shall pay all utility bills accrued to date Buyer is entitled to possession. Buyer shall pay Seller for fuel (e.g., heating
310 oil, gas, diesel, propane, etc.) then on premises, at Seller's supplier's rate on the possession date. Payment for fuel shall be handled between
311 Buyer and Seller (check one)  at Closing  outside of Escrow.

312 29. HOME WARRANTIES: Home warranty plans may be available to help cover homeowner costs to repair/replace certain home systems and
313 appliances. (See specific plan for details.) Will a plan be purchased for Buyer as a part of this transaction?  Yes  No
314 If yes, identify plan and cost: \_\_\_\_\_ \$\_\_\_\_\_ To be paid at Closing by:  Buyer  Seller

315 30. ESCROW/ DEPOSIT: Escrow is hereby instructed by Buyer and Seller as follows: (1) Upon your receipt of a copy of this Agreement marked
316 "rejected" by Seller or upon Listing Firm's written advice that the offer is "rejected" by Seller, you are to refund all earnest money to Buyer. (2) Upon
317 your receipt of a copy of this Agreement signed by Buyer and Seller set up an escrow account and proceed with Closing in accordance with the
318 terms of this Agreement. If you determine that the transaction cannot be Closed for any reason (whether or not there is then a dispute between
319 Buyer and Seller), subject only to Section 44 below, you are to hold all earnest money deposits until you receive written instructions from Buyer and
320 Seller, or a final ruling from a court or arbitrator, as to disposition of such deposits.

321 31. EARNEST MONEY PAYMENT/REFUND: If (1) Seller does not approve this Agreement; or (2) Seller signs and accepts this Agreement but
322 fails to furnish marketable title; or (3) Seller fails to complete this transaction in accordance with this Agreement, or perform any other act as herein
323 provided; or (4) any condition which Buyer has made an express contingency in this Agreement (and has not been otherwise waived) falls through
324 no fault of Buyer, then all earnest money shall be promptly refunded to Buyer. However, acceptance by Buyer of the refund shall not constitute a
325 waiver of other legal remedies available to Buyer. If Seller signs and accepts this Agreement and title is marketable and: (1) Buyer has
326 misrepresented Buyer's financial status; or (2) Buyer's bank does not pay, when presented, any check given as earnest money; or (3) Buyer fails to
327 redeem, when due, any note given as earnest money; or (4) Buyer fails to complete this transaction in accordance with this Agreement, or perform
328 any other act as herein provided, then all earnest money paid or agreed to be paid shall be paid to Seller either as liquidated damages or as
329 otherwise allowed under Oregon law, and this Agreement shall be terminated. It is the intention of the parties that Seller's sole remedy against
330 Buyer for Buyer's failure to close this transaction shall be limited to the amount of earnest money paid or agreed to be paid herein.

331 32. BINDING EFFECT/CONSENT: This Agreement is binding upon the heirs, personal representatives, successors and assigns of Buyer and
332 Seller. However, Buyer's rights under this Agreement or in the Property are not assignable without prior written consent of Seller.

333 33.1 SELLER ADVISORY: OREGON STATE TAX WITHHOLDING OBLIGATIONS. Subject to certain exceptions, Escrow is required to withhold
334 a portion of Seller's proceeds if they are a non-resident individual or corporation as defined under Oregon law. Buyer and Seller agree to execute
335 and deliver, as appropriate, any instrument, affidavit or statement, and to perform any acts reasonable or necessary to carry out the provisions of
336 Oregon law.

Buyer Initials JFO Date 08/06/2014

Seller Initials PM / CM Date 07-Aug-2014



Sale Agreement # 0514Tkn1

337 33.2 SELLER/BUYER ADVISORY: FIRPTA TAX WITHHOLDING OBLIGATIONS. Seller is advised that upon Closing, Federal law, known as the  
 338 Foreign Investment in Real Property Tax Act ("FIRPTA"), allows an escrow company, if they agree, to withhold a portion of Seller's proceeds if the real  
 339 property is located within the United States and Seller is a "foreign person." A "foreign person" includes a non-resident alien individual, foreign corporation,  
 340 foreign partnership, foreign trust and foreign estate. The amount deducted from Seller's proceeds is ten percent (10%) of the gross sales price and is required  
 341 to be delivered over to the Internal Revenue Service ("IRS") within twenty (20) days of the closing of the transaction. Buyer may become responsible for  
 342 payment if FIRPTA applies and Escrow is not instructed to withhold the funds. FIRPTA will not apply to this transaction so long as: (a) The sale price is  
 343 \$300,000 or less; (b) The Property is to be used by Buyer as a residence; and, (c) Buyer is an individual. Where applicable, Buyer and Seller agree to execute  
 344 and deliver, as appropriate, any instrument, affidavit or statement, reasonably requested by Escrow to carry out the provisions of FIRPTA. NOTE: AT SECTION  
 345 10 OF THIS AGREEMENT, SELLER REPRESENTS THAT SELLER IS NOT A "FOREIGN PERSON" (HEREINAFTER "SELLER'S NON-FIRPTA STATUS"). IF SELLER IS  
 346 UNSURE, SELLER SHOULD FIRST CONFER WITH SELLER'S TAX COUNSEL OR CPA BEFORE ENTERING INTO THIS TRANSACTION. IN COUNTERING THIS OFFER, BUYER  
 347 REPRESENTS THAT BUYER HAS NO KNOWLEDGE, INFORMATION, OR BELIEF THAT SELLER IS A FOREIGN PERSON OR THAT THIS TRANSACTION IS SUBJECT TO FIRPTA.  
 348 SELLER ACKNOWLEDGES THAT BUYER, LISTING AND SELLING LICENSEES, THEIR RESPECTIVE FIRMS, AND ESCROW, ITS AGENTS, EMPLOYEES AND  
 349 REPRESENTATIVES, SHALL HAVE THE ABSOLUTE RIGHT TO RELY UPON SELLER'S REPRESENTATION OF SELLER'S NON-FIRPTA STATUS AT SECTION 10, ABOVE,  
 350 THIS RIGHT OF RELIANCE SHALL CONTINUE THROUGH THE CLOSING DATE AND THEREAFTER UNLESS SELLER HAS DISCLOSED OTHERWISE IN A WRITTEN CORRECTED  
 351 OFFER OR ADDENDUM TO THIS SALE AGREEMENT. IF AT ANY TIME DURING THIS TRANSACTION IT IS DETERMINED THAT SELLER'S REPRESENTATION OF SELLER'S  
 352 NON-FIRPTA STATUS WAS INCORRECT FOR ANY REASON, SELLER AND BUYER HEREBY APPOINT AND INSTRUCT ESCROW TO ACT AS THE QUALIFIED SUBSTITUTE  
 353 FOR BUYER AS DEFINED BY THE IRS, FOR PURPOSES OF PREPARING THE NECESSARY PAPERWORK, WITHHOLDING THE NECESSARY FUNDS, AND DEPOSITING THE  
 354 SALE TO THE IRS. IF FOR ANY REASON, ESCROW DECLINES TO ACT AS A QUALIFIED SUBSTITUTE, ESCROW IS REQUESTED TO PROMPTLY NOTIFY SELLER AND  
 355 BUYER IN A TIMELY MANNER SO THEY MAY MAKE OTHER ARRANGEMENTS PRIOR TO THE SCHEDULED CLOSING. SELLER AND BUYER ACKNOWLEDGE THAT IF  
 356 FIRPTA APPLIES TO THIS TRANSACTION, ESCROW'S ROLE AS A QUALIFIED SUBSTITUTE MAY RESULT IN A DELAY IN CLOSING THIS TRANSACTION UNLESS  
 357 OTHERWISE PROVIDED IN THIS SALE AGREEMENT OR ANY SUBSEQUENT SIGNED WRITTEN AGREEMENT BETWEEN SELLER AND BUYER. CONFIRMATION OF SELLER'S  
 358 NON-FIRPTA STATUS IS NOT A CONTINGENCY IN THIS TRANSACTION.

359 34. AGRICULTURAL FOREIGN INVESTMENT DISCLOSURE ACT: Any foreign person who acquires or transfers agricultural land that is  
 360 situated in the United States must report the transaction within ninety (90) days after the date of acquisition or transfer. In the event this transaction  
 361 applies to either Buyer or Seller, that party agrees to comply with this Act.

362 35. APPROVED USES: \*THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT  
 363 PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS, THAT, IN FARM OR FOREST  
 364 ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR  
 365 FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON  
 366 TRANSFERRING FREE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO  
 367 195.336 AND SECTIONS 6 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS  
 368 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON  
 369 ACQUIRING FREE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO  
 370 VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010  
 371 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR  
 372 STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301  
 373 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855,  
 374 OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.\*

375 36.1 LEVY OF ADDITIONAL PROPERTY TAXES: The Property: (check one)  is  is not specially assessed for property taxes (e.g., farm,  
 376 forest or other) in a way which may result in levy of additional taxes in the future. If it is specially assessed, Seller represents that the Property is  
 377 current as to income or other conditions required to preserve its deferred tax status. If, as a result of Buyer's actions or the Closing of this  
 378 transaction, the Property either is disqualified from special use assessment or loses its deferred property tax status, unless otherwise specifically  
 379 provided in this Agreement, Buyer shall be responsible for and shall pay within due, any deferred and/or additional taxes and interest which may be  
 380 levied against the Property and shall hold Seller completely harmless therefrom. However, if as a result of Seller's actions prior to Closing, the  
 381 Property either is disqualified from its entitlement to special use assessment or loses its deferred property tax status, Buyer may, at Buyer's sole  
 382 option, promptly terminate this transaction and receive a refund of all deposits paid by Buyer in anticipation of Closing; or Close this transaction and  
 383 hold Seller responsible to pay into Escrow all deferred taxes and/or next subsequent assessment of additional taxes and interest which may be  
 384 levied or recaptured against the Property and hold Buyer completely harmless therefrom. The preceding shall not be construed to limit Buyer's or  
 385 Seller's available remedies or damages arising from a breach of this Section 36.1.

386 36.2 HISTORIC PROPERTY DESIGNATION: If the Property is or may be subject to a Historic Property local ordinance or is subject to or may  
 387 qualify for the Historic Property Tax Assessment under ORS 358.475 to 358.505, Seller shall provide OREF-045 Historic Property Addendum.

**DISPUTE RESOLUTION INVOLVING BUYERS AND SELLERS ONLY**

Buyer Initials FC Date 08/06/2014

Seller Initials JM / CM Date 07-Aug-2014

This form has been licensed for use solely by Tony Nash pursuant to a Forms License Agreement with Oregon Real Estate Forms, LLC.

LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE AND DATE  
 Copyright Oregon Real Estate Forms, LLC 2000-2014 www.orefonline.com  
 No portion may be reproduced without express permission of Oregon Real Estate Forms, LLC  
 OREF-005



Sale Agreement # 0514Tkn1

388 37. DISPUTE RESOLUTION BETWEEN BUYER AND SELLER: Buyer and Seller agree that all claims, controversies and disputes between them,  
389 including those for rescission (hereinafter collectively referred to as "Claims"), relating directly or indirectly to this transaction, shall be resolved in  
390 accordance with the procedures set forth herein, which shall expressly survive Closing or earlier termination of this Agreement. Provided,  
391 however, the following matters shall not constitute Claims: (1) any proceeding to collect, interpret or enforce any mortgage, trust deed, land sale  
392 contract or recorded construction lien; or (2) a forcible entry and detainer action (eviction.) The filing in court for the issuance of any provisional  
393 process or similar remedy described in the Oregon or Federal Rules of Civil Procedure shall not constitute a waiver of the right or duty to utilize the  
394 dispute resolution procedures specified herein. In the event of any suit, action or arbitration relating to the enforcement or interpretation of this  
395 Agreement, the matter shall be governed exclusively by Oregon law, and venue shall be placed in the State of Oregon for all purposes.

396 38. SMALL CLAIMS BETWEEN BUYER AND SELLER: Notwithstanding the following Sections, Buyer and Seller agree that all Claims that are  
397 within the jurisdiction of the Small Claims Court shall be brought and decided there, in lieu of mediation, arbitration or litigation in any other forum.

398 39. MEDIATION BETWEEN BUYER AND SELLER: If Buyer or Seller were represented in this transaction by a Licensee whose principal  
399 broker is a member of the National Association of REALTORS®, all Claims shall be submitted to mediation in accordance with the procedures of the  
400 Home Seller/Home Buyer Dispute Resolution System of the National Association of REALTORS®, or other organization-adopted mediation  
401 program (collectively "the System"). Provided, however, if the Licensee's principal broker is not a member of the National Association of  
402 REALTORS® or the System is not available through the principal broker's Association of REALTORS®, then all Claims shall be submitted to  
403 mediation either through: (1) the special mediation program administered by Arbitration Service of Portland ("ASP"), or (2) any other impartial  
404 private mediator(s) or program(s) so long as such services are available in the county where the Property is located, as selected by the party first  
405 filing for mediation.

406 40. ARBITRATION BETWEEN BUYER AND SELLER: All Claims that have not been resolved by mediation, or otherwise, shall be submitted to  
407 final and binding private arbitration in accordance with Oregon laws. Filing for arbitration shall be treated the same as filing in court for purposes of  
408 meeting any applicable statutes of limitation or for purposes of filing a lis pendens. Buyer or Seller may file Claims either with ASP or, alternatively,  
409 with any other professional arbitration service that has existing rules of arbitration, provided that the selected alternative service also uses  
410 arbitrators who are in good standing with the Oregon State Bar, with expertise in real estate law and who can conduct the hearing in the county  
411 where the Property is located. The arbitration service in which the Claim is first filed shall handle the case to its conclusion. BY CONSENTING TO  
412 THIS PROVISION BUYER AND SELLER ARE AGREEING THAT DISPUTES ARISING UNDER THIS AGREEMENT SHALL BE HEARD AND  
413 DECIDED BY ONE OR MORE NEUTRAL ARBITRATORS AND BUYER AND SELLER ARE GIVING UP THE RIGHT TO HAVE THE MATTER  
414 TRIED BY A JUDGE OR JURY. THE RIGHT TO APPEAL AN ARBITRATION DECISION IS LIMITED UNDER OREGON LAW.

415 41. ATTORNEY FEES IN CLAIMS BETWEEN BUYER AND SELLER: The prevailing party in any suit, action or arbitration (excluding those  
416 Claims filed in Small Claims Court) between Buyer and Seller shall be entitled to recovery of all reasonable attorney fees and costs and  
417 disbursement as defined in ORCP 68 (including all filing and mediator fees paid in mediation). Provided, however, if a mediation service was  
418 available to Buyer or Seller when the Claim arose, the prevailing party shall not be entitled to any award of attorney fees unless it is established to  
419 the satisfaction of the arbitrator(s) or judge that the prevailing party offered or agreed in writing to participate in mediation prior to, or promptly upon,  
420 the filing in arbitration or court.

#### DISPUTE RESOLUTION INVOLVING LICENSEES OR FIRMS

421 42. SMALL CLAIMS COURT AND ARBITRATION: All claims, controversies or disputes relating to this transaction, including those for  
422 rescission, in which a Licensee or Firm identified in the Final Agency Acknowledgment Section above is named or included as a party, shall be  
423 resolved exclusively as follows: (1) If within the jurisdictional limit of Small Claims Court, the matter shall be brought and decided there, in lieu of  
424 arbitration or litigation in any other forum. (2) All other claims, controversies or disputes involving such Licensee or Firm shall be resolved through  
425 final and binding arbitration using the arbitration resolution process described in Section 40 above. Filing for arbitration shall be treated the same as  
426 filing in court for purposes of meeting any applicable statutes of limitation or for purposes of filing a lis pendens. This Section 42 shall be in lieu of  
427 litigation involving such Licensee or Firm in any other forum. Such Licensee or Firm may voluntarily participate in formal or informal mediation at  
428 any time, but shall not be required to do so under this Section 42. This Section 42 shall not apply to those matters in which: (a) The claim,  
429 controversy or dispute is exclusively between REALTORS® and is otherwise required to be resolved under the Professional Standards Arbitration  
430 provisions of the National Association of REALTORS®; (b) Licensee or Firm has agreed to participate in alternative dispute resolution provision of a  
431 prior written listing, service or fee agreement with Buyer or Seller, or (c) Licensee or Firm is the Buyer or Seller in this transaction (in which case,  
432 Sections 37-41 shall apply). This Section 42 shall expressly survive Closing or earlier termination of this Agreement. In the event of any suit,  
433 action or arbitration relating to the enforcement or interpretation of this Agreement, the matter shall be governed exclusively by Oregon law, and  
434 venue shall be placed in the State of Oregon for all purposes. In the event that one or more Licensees and/or Firms have been named or included in  
435 any claims, controversies or disputes that also include Buyer and/or Seller, the alternative dispute resolution and attorney fee provisions of  
436 Sections 37-41 above shall continue to apply to Buyer and/or Seller, and this Section 42 shall apply exclusively to Licensees and/or Firms.

Buyer Initials JFO Date 08/06/2014

Seller Initials IM / CM Date 07-Aug-2014

This form has been licensed for use solely by Terry Nash pursuant to a Forms License Agreement with Oregon Real Estate Forms, LLC.

LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE AND DATE

Copyright Oregon Real Estate Forms, LLC 2000-2014 [www.orefonline.com](http://www.orefonline.com)

No portion may be reproduced without express permission of Oregon Real Estate Forms, LLC

OREF-005

FARMS, RANCHES, ACREAGE & NATURAL RESOURCE PROPERTY REAL ESTATE SALE AGREEMENT -- Page 8 of 11

Produced with 24Forms by 24.com 18070 Filken, Mc Road, Fayer, Michigan 48078 [www.24.com](http://www.24.com)



Sale Agreement # 0514TKH1

437 43. RECEIPT FOR EARNEST MONEY: Selling Firm acknowledges receipt of earnest money from Buyer in the sum of \$ 6,000.00
438 evidenced by  CASH  CHECK  PROMISSORY NOTE payable as follows:
439  10  business  calendar (other than) days after mutual acceptance of this Agreement; or
440  on or before \_\_\_\_\_;
441  Other form of Earnest Money: \_\_\_\_\_

442 44. EARNEST MONEY INSTRUCTIONS: Buyer instructs Selling Firm, and Selling Firm agrees, to handle the earnest money as follows
443 (check all that apply):
444  Hold any earnest money that is in the form of a check undeposited pending mutual acceptance of this Agreement and all agreed-upon counter
445 offers, after which time deposit it as provided herein within three (3) banking days.  Deposit any earnest money funds received under a
446 promissory note with \_\_\_\_\_  Deposit in Selling Firm's client trust account, and thereafter/or
447  Deposit with Escrow. In the event the earnest money is deposited in Selling Firm's trust account or with Escrow (collectively "the Deposit
448 Holder"), and the Deposit Holder has arranged to have interest on such deposit transferred to a qualified public benefit corporation for distribution to
449 organizations and individuals for first time home-buying assistance and development of affordable housing pursuant to ORS 608.241(6) or ORS
450 696.674(3), all parties acknowledge and agree that any interest accruing on the earnest money so deposited shall be transferred in accordance
451 with this provision. The preceding sentence shall be subject to any other statutes or regulations governing the disposition of earnest money
452 deposits.

463 SELLING LICENSEE AND SELLING FIRM SHALL HAVE NO FURTHER LIABILITY WITH RESPECT TO EARNEST MONEY WHICH THE
464 PARTIES HAVE AUTHORIZED TO BE TRANSFERRED TO A THIRD PARTY.

465 Selling Firm Coldwell Banker Holman Premier Realty Selling Licensee Signature Jerry Nash
3015 S 6th street suite 110, Klamath Falls, Or 97603 Phone (541) 884-1343 FAX (541) 883-7475

467 45. PROPERTY DISCLOSURE/DISCLAIMER LAW: Buyer and Seller acknowledge that unless this transaction is otherwise exempted,
468 Oregon law provides that Buyer has a right to revoke Buyer's offer by giving Seller written notice thereof (a) within five (5) business days
469 after Seller's delivery of Seller's Property Disclosure Statement ("the Statement"), or (b) at any time before Closing (as defined in the
470 Oregon Administrative Rules) if Buyer does not receive the Statement from Seller before Closing. Buyer may waive the right of
471 revocation only in writing. Seller authorizes the Listing Firm to receive Buyer's notice of revocation, if any, on Seller's behalf.

462 46. COUNTERPARTS/ DELIVERY: This Agreement may be signed in multiple counterparts with the same legal effect as if all parties signed the
463 same document. This shall mean that delivery (e.g., transmissions manually, by facsimile, electronic mail, overnight mail, first-class regular or
464 certified mail, etc.) of a legible true copy of a signed original of this Agreement, including but not limited to all addenda, counter offers, and legal
465 notices required (hereunder, shall be treated the same as delivery of the original document).

466 47. AGREEMENT TO PURCHASE: Buyer agrees to purchase the Property upon the terms and conditions set forth in this Agreement.
467 Buyer acknowledges receipt of a completely filled-in copy of this Agreement which Buyer has fully read and understands. Buyer
468 acknowledges that Buyer has not relied upon any oral or written statements made by Seller or any Licensee which are not expressly
469 contained in this Agreement. Neither Seller nor any Licensee(s) warrant the square footage or the size of any land being
470 purchased. If square footage or land size is a material consideration, all structures and land should be measured by Buyer prior to
471 signing, or should be made an express contingency in this Agreement.
472 Deed or contract shall be prepared in the name of Cypress Creek Renewables, LLC or its assigns
473 This offer shall automatically expire on (insert date) August 12, 2014 at \_\_\_\_\_ a.m. 5 p.m., (the "Offer Deadline"), if not
474 accepted by that time.

475 Buyer may withdraw this offer before the Offer Deadline any time prior to Seller's written acceptance. If Seller accepts this offer after the Offer
476 Deadline, it shall not be binding upon Buyer unless accepted by Buyer in writing within \_\_\_\_\_ business days (two (2) if not filled in) after the date of
477 Seller's acceptance by so indicating at Section 50 below. This offer may be accepted by Seller only in writing.

478 Buyer [Signature] Date 08/06/2014 6 a.m. X p.m.
Cypress Creek Renewables, LLC

479 Buyer \_\_\_\_\_ Date \_\_\_\_\_ a.m. p.m.

480 Address 3250 Ocean Park Blvd, Ste 355 Santa Monica Ca Zip 90405
481 Phone Home (310) 581-6250 Work \_\_\_\_\_ E-mail jroy@inspital.com Fax \_\_\_\_\_

NO CHANGES OR ALTERATIONS ARE PERMITTED TO ANY PORTION OF THE PRE-PRINTED FORM OR TEXT OF THIS FORM. ANY
SUCH PROPOSED CHANGES OR ALTERATIONS SHOULD BE MADE ON A SEPARATE DOCUMENT. CHANGES BY SELLER OR LISTING
LICENSEE TO THE TERMS OR PROVISIONS ABOVE BUYER'S SIGNATURE SHOULD ALSO BE ON A SEPARATE DOCUMENT.

Buyer Initials JFO Date 08/06/2014

Seller Initials JM / CMB 07-Aug-2014

This form has been licensed for use solely by Terry Nash pursuant to a Forms License Agreement with Oregon Real Estate Forms, LLC.
LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE AND DATE
Copyright Oregon Real Estate Forms, LLC 2000-2014 www.orefonline.com
No portion may be reproduced without express permission of Oregon Real Estate Forms, LLC OREF-005
FARMS, RANCHES, ACREAGE & NATURAL RESOURCE PROPERTY REAL ESTATE SALE AGREEMENT - Page 10 of 11



Sale Agreement # 8514TKn1

402 This offer was submitted to Seller for Signature: 17 day of Aug 2014, at 9:30 a.m. p.m.  
403 By Terry K Nash (Licensee(s) presenting offer).

404 48. AGREEMENT TO BUYER'S ACKNOWLEDGEMENTS / DISPOSITION OF EARNEST MONEY: Seller accepts Buyer's offer. Seller  
405 acknowledges receipt of a completely filled-in copy of this Agreement, which Seller has fully read and understands, Seller  
406 acknowledges that Seller has not relied upon any oral or written statements of Buyer or of any Licensee(s) which are not expressly  
407 contained in this Agreement. Seller instructs that all earnest money distributable to Seller pursuant to Section 30 above, shall be  
408 disbursed as follows after deduction of any title insurance and Escrow cancellation charges: (check one)  First to Listing Firm to the  
409 extent of the agreed commission just as if the transaction had been Closed, with residue to Seller, or

490 Seller James L Moore Date 07-Aug-2014, a.m. p.m. ←

491 Seller Cheryl L Moore Date 07-Aug-2014, a.m. p.m. ←

492 Address 825 N Callier Coquille Or Zip 97423  
493 Phone Home (541)396-6393 Work \_\_\_\_\_ E-mail cherilynmoore@yahoo.com Fax \_\_\_\_\_

494 49. REJECTION/COUNTER OFFER: SELECT ONE:  Seller does not accept the above offer, but makes the attached counter offer.  
495  Seller rejects Buyer's offer.

496 Seller James L Moore Date \_\_\_\_\_, a.m. p.m. ←

497 Seller Cheryl L Moore Date \_\_\_\_\_, a.m. p.m. ←

498 Address 825 N Callier Coquille Or Zip 97423

499 Phone Home (541)396-6393 Work \_\_\_\_\_ E-mail cherilynmoore@yahoo.com Fax \_\_\_\_\_

500 50. BUYER'S ACKNOWLEDGMENT: Buyer acknowledges receipt of a copy of Seller's written response to this Agreement. If Seller's response  
501 is an acceptance of Buyer's offer that occurred after the Offer Deadline identified at Section 47 above, Buyer (select only one)  agrees  does  
502 not agree, to be bound thereby. (The failure to check either box shall constitute rejection of Seller's acceptance offer the Offer Deadline.)

503 Buyer Cypress Creek Renewables, LLC Date \_\_\_\_\_, a.m. p.m. ←

504 Buyer \_\_\_\_\_ Date \_\_\_\_\_, a.m. p.m. ←

505 51. FIRMS/LICENSEES:  
506 Selling Licensee Terry K Nash Selling Firm Coldwell Banker Holman Premier Realty  
507 Selling Firm Office Address 3815 S 6th street suite 110, Klamath Falls, Or 97603  
508 Phone (541)884-1343 Phone (541)884-1343 Fax (541)883-7475  
509 E-mail TKNash@CBKFalls.com

510  
511 Listing Licensee Terry K Nash Listing Firm Coldwell Banker Holman Premier Realty  
512 Listing Firm Office Address 3815 S 6th st suite 110, Klamath Falls, Or 97603  
513 Phone (541)884-1343 Phone (541)884-7704 Fax (541)883-7475  
514 E-mail tknash@cbkfalls.com  
515

516  
517  
518  
519

Buyer Initials FC Date 08/06/2014

Seller Initials TM / CM Date 07-Aug-2014

**ADDENDUM NO. 1  
TO  
VACANT LAND REAL ESTATE SALE CONTRACT**

**Extension**

Buyer may, at its option, extend the Closing for up to two (2) calendar quarter (6 months) after the scheduled Closing Date, on or before the Closing Date, (i) notifying Seller in writing of Buyer's election to extend Closing and (ii) paying to the Title Company an additional Earnest Money Deposit in an amount equal to one thousand dollars (\$1,000.00) per month which the Closing is extended, payable prior to the scheduled Closing Date of this transaction. Such additional Earnest Money Deposit shall be applied to the Purchase Price at Closing, and shall be non-refundable to Buyer unless Buyer terminates this Agreement as a result of Seller's default hereunder or as a result of the failure of a condition precedent set forth in this Agreement.

**Earnest Money Deposit**

Buyer shall, within ten (10) business days after the full execution of this Agreement, deposit with a title insurance company or other escrow agent selected by Buyer (the "Title Company") an earnest money deposit in the amount of *six Thousand and No/100 Dollars (\$6,000.00)* by company check or other mutually acceptable transfer of funds (the "Earnest Money Deposit"). All sums comprising the Earnest Money Deposit shall be held in a account of the Title Company at a federally insured depository institution acceptable to Buyer, and any interest accruing thereon shall become a part of the Earnest Money Deposit. The Earnest Money Deposit, including any interest accrued thereon, shall be applied in reduction of the Purchase Price at the Closing.

**Release of Earnest Money Deposit and Termination**

The Earnest Money Deposit shall become non refundable and released to the seller according to the following schedule.

Days from Mutual Acceptance of this Agreement	Non Refundable Amount	Cumulative Non Refundable Amount
Day 30	\$1,000.00	\$1,000.00
Day 60	\$1,000.00	\$2,000.00
Day 90	\$1,000.00	\$3,000.00
Day 120	\$1,000.00	\$4,000.00
Day 150	\$1,000.00	\$5,000.00
Day 180	\$1,000.00	\$6,000.00

If Buyer determines, in its sole discretion, for any reason or no reason, that the Property is unsuitable for its purposes or that Buyer's proposed acquisition and operation of the Property is not economical or

*Initial*  JFO

CM

07-Aug-2014

JM

07-Aug-2014

otherwise feasible, then Buyer shall have the right to Terminate this Agreement (herein referred to as a "Termination") by delivery of written notice to Seller (a "Termination Notice") prior to the Closing Date. Upon Buyer's timely delivery of a Termination Notice to Seller as provided above, any and all Earnest Money Deposit that had not become non refundable as of the date of the termination shall be immediately returned to Buyer and thereafter this Agreement shall be null and void. Upon its receipt of a copy of a Termination Notice delivered to Seller as provided above, the Title Company shall immediately deliver to Buyer, without notice to or the need to obtain consent from Seller, any and all Earnest Money Deposit that had not become non refundable as of the date of the termination and all interest thereon, and this Agreement shall immediately terminate and be rendered null and void.

Inspection & Due Diligence

During the period commencing on the date of mutual acceptance of this Agreement and expiring the Closing Date (the "Due Diligence Period"), Buyer shall have the right to determine, at Buyer's expense, in Buyer's sole and absolute discretion, whether the Buyer's proposed purchase and use of the Property is economically and otherwise feasible. During such time, Buyer shall also be entitled (i) to examine title to and the survey of the Property, (ii) to conduct such other testing of the Property as Buyer shall deem reasonably necessary in its sole discretion, including without limitation, one or more environmental audits, and (iii) to physically inspect and review the Property, which investigation shall be of such scope as Buyer shall determine. Buyer shall conduct all such inspections, surveying, and other testing of the Property in a good and workmanlike manner. Buyer assumes all responsibility for the acts of itself, its agents, representatives and contractors in exercising its rights under this Section and agrees to indemnify and hold Seller harmless from any damages resulting therefrom. This indemnification obligation of Buyer shall survive the termination of this Agreement for a period of three (3) months. Buyer shall, at Buyer's expense, promptly repair any damage to the Property caused by Buyer's entry and on-site inspections.

Seller shall in good faith cooperate with Buyer in facilitating Buyer's investigation of the Property. Seller shall provide Buyer and its agents, employees or consultants with reasonable access to the Property to inspect each and every part thereof and allow Buyer and its agents or consultants to contact all parties which currently contract with Seller with respect to the Property. In addition, Seller shall deliver or make available to Buyer as soon as is practicable and not later than ten (10) days after mutual acceptance of this Agreement with respect to the Property all of the following (the "Due Diligence Items");

- a) true and complete copies of any notices of any statute, code or other legal violation pertaining to the Property;
- b) all geotechnical, "Phase I" and/or other environmental assessment reports for the Property in Seller's possession (or in the possession of Seller's attorney, environmental consultant or other agent);
- c) true and complete copies of the following: any leases or restrictive covenants encumbering the Property; any and all contracts or other documents in Seller's possession relating to the Property; any construction and development contracts; certificates of occupancy and/or compliance; third-party inspection reports; and/or plans and specifications for the Improvements;
- d) a true and complete copy of Seller's most recent survey, title insurance policy and attorney's title opinion relating to the Property.

*Indra*  JFO JM

07-Aug-2014

CM

07-Aug-2014

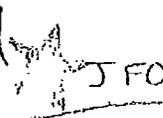
If Seller fails to deliver any Due Diligence Items in its possession or control within the aforementioned 10-day period, the Due Diligence Period will be extended one day for each one day of delay after such 10-day period until the remaining required items are delivered to Buyer.

Seller acknowledges that Buyer desires to use the Property for the construction and operation of a solar energy facility, and agrees that Buyer's obligations under this Agreement are expressly conditioned on: (a) Buyer confirming that the existing zoning of the Property will permit its contemplated development, or (b) Buyer obtaining rezoning of the Property to a classification that will permit such development. Seller agrees to take no action to change the zoning of the Property without Buyer's prior written consent, and agrees to cooperate with Buyer in any required rezoning process, including appearing, if requested, at any public hearing and executing any required applications and permits. All expenses of the rezoning approval process shall be paid by Buyer. If Buyer determines that the governmental authorities will not agree to support its proposed development, then Buyer shall have the right, in its sole discretion, to withdraw its site plan submittal and terminate this Agreement by giving Seller written notice of termination during the Due Diligence Period.

If the conveyance of the Property by Seller to Buyer results in a "subdivision" of property, as defined in any applicable subdivision ordinance, then, on or before the Closing Date, Buyer shall satisfy all requirements of the subdivision ordinance, including but not limited to the preparation, approval and recording of a plat (the "Plat"). Seller agrees to cooperate with Buyer in any required subdivision process, including executing of the Plat and any required applications and permits, all at Buyer's expense.

**Buyer's Right of Assignment**

Buyer shall be entitled to assign its right, title and interest under this Agreement without the consent of Seller to any person or entity including, but not limited to, a qualified intermediary in connection with the effectuation of a tax free exchange; provided, however, upon such assignment and assumption, Buyer shall not be relieved of any duties, obligations or liabilities hereunder.

*Initial*  JFO

Jm 07-Aug-2014

GM 07-Aug-2014



Sale Agreement # 0514Tkn1  
Addendum 2

WOODSTOVE/FIREPLACE INSERT ADDENDUM

1 Use this form if a woodstove/fireplace is on the property.  
2 This is an Addendum to:  Real Estate Sale Agreement  Seller's Counter Offer  Buyer's Counter Offer Dated \_\_\_\_\_  
3 Buyer: Cypress Creek Renewables, LLC  
4 Seller: James J Moore, Cheryl L Moore  
5 The real property is identified as: 13777 Falvey Road, Merrill, Or 97633 (the Property)

6 SELLER REPRESENTATIONS TO BUYER. Seller represents the following:  
7 Is the woodstove/fireplace insert certified?  Yes  No  Unknown  
8  One or more Uncertified Device(s) are located on the Property. (Unless Buyer has signed accepting responsibility at Section 5 below, Seller agrees to remove and destroy the Uncertified Device(s) and to so notify DEQ by providing Certificate of Destruction prior to Closing.  
9  
10

11 GENERAL INFORMATION:

- 12 1. Remove and Destroy Before Closing. As of August 1, 2010, Oregon law (ORS 468A.460 - 468A.515) requires all sellers of  
13 "residential structures" to remove and destroy *uncertified* solid fuel burning devices, such as woodstoves or fireplace inserts (collectively  
14 "Uncertified Device") prior to closing of the sale. A "residential structure" includes: (1) Any structure that contains one or more dwelling  
15 units and is four stories or less above grade, (2) A condominium, rental residential unit or other residential dwelling unit that is part of a  
16 larger structure, if the property interest in the unit is separate from the property interest in the larger structure, (3) A modular home  
17 constructed off-site; (4) A manufactured dwelling; or (5) A floating home.  
18 2. Certification Label. A certified device is one that bears a certification label located on the back and issued by the Oregon DEQ or U.S.  
19 Environmental Protection Agency ("EPA") which means that it has met certain particulate emission standards. If the device does not bear  
20 such a label, it is an "Uncertified Device" and must be removed from the Property and destroyed. Sellers who cannot access the back of  
21 their device may call the manufacturer or check the EPA's certified woodstove list at:  
22 <http://www.epa.gov/oaqbt/publications/monitoring/can/woodstoves/certifiedwood.pdf>.  
23 3. Exemptions. The primary exemptions from this law are pellet stoves, central wood fired furnaces, antique stoves, masonry fireplaces  
24 and masonry heaters.  
25 4. Removal and Destruction; DEQ Notification. An Uncertified Device must be entirely removed from the Property, including garages,  
26 outbuildings and shops. Woodstove retailers, chimney sweeps, or others may perform the removal and destruction. Sellers removing an  
27 Uncertified Device themselves may take it directly to a metal scrap recycler or DEQ-approved landfill. Sellers must obtain a receipt from  
28 the contractor or business verifying that the Uncertified Device has been destroyed, and then notify DEQ at:  
29 <http://www.deq.state.or.us/aq/burning/woodstoves/heatSmart.htm>. Check the DEQ website at:  
30 <http://www.deq.state.or.us/aq/burning/docs/notificationForm.pdf> for the notification form confirming destruction of the Uncertified Device.  
31 Either form should then be (a) mailed or delivered to Oregon DEQ, Heat Smart Notification, 811 SW Sixth Ave, Portland, OR 97204 or (b)  
32 faxed to Heat Smart Notification, 503-228-5675. Failure to remove or destroy an Uncertified Device at the time of closing does not  
33 invalidate the sale. However, it may constitute a Class A Misdemeanor and/or result in a civil fine. See, ORS 468A.000.  
34 5. Responsibility. Seller is primarily responsible for removal and destruction of an Uncertified Device located on the Property unless Buyer accepts  
35 written responsibility for removal and destruction. (To accept this responsibility, Buyer must initial below.)  
36 \_\_\_\_\_ / \_\_\_\_\_ By initialing here, Buyer expressly accepts responsibility and acknowledges that the Uncertified Device must be both removed  
37 and destroyed by Buyer within 30 days following the Closing Date.  
38 6. More Information. Contact: DEQ - Heat Smart Program, 811 SW Sixth Ave., Portland, OR 97204, Review ORS 468A.460 - 468A.515 or go to:  
39 <http://www.deq.state.or.us/aq/burning/woodstoves/myself.htm> or <http://deq.state.or.us/aq/factsheets/10aq011heatsmart.pdf>

40 Buyer Signature [Signature] Date 08/06/2014 , 6 a.m.  p.m. ←  
Cypress Creek Renewables, LLC  
41 Buyer Signature \_\_\_\_\_ Date \_\_\_\_\_ , \_\_\_\_\_ a.m. \_\_\_\_\_ p.m. ←  
42 Seller Signature James L Moore Date 07-Aug-2014 , \_\_\_\_\_ a.m. \_\_\_\_\_ p.m. ←  
James L Moore  
43 Seller Signature Cheryl L Moore Date 07-Aug-2014 , \_\_\_\_\_ a.m. \_\_\_\_\_ p.m. ←  
Cheryl L Moore  
44 Selling Licensee Terry K Nash Listing Licensee Terry K Nash

This form has been licensed for use solely by Terry Nash pursuant to a Forms License Agreement with Oregon Real Estate Forms, LLC.



Sale Agreement # 05147kn1  
Addendum 3

**PRIVATE WELL ADDENDUM TO REAL ESTATE AGREEMENT**

1 Buyer(s) Cypress Creek Renewables, LLC  
2 Seller(s) James I Moore, Cheryl I Moore  
3 Property Address 13777 Falvey Road, Merrill, Or 97633

4 OREGON LAW: If this transaction includes a well that supplies domestic water to the Property, Oregon law requires that Seller shall have  
5 the well tested for arsenic, nitrates and total coliform bacteria. For more information, see the Oregon.gov webpage titled "Domestic Well  
6 Testing and Real Estate Transactions".

7 **REPRESENTATIONS, TESTING, TERMINATION & COOPERATION**

8 1. SELLER REPRESENTATIONS REGARDING WELL AND WELL WATER: Seller represents to Buyer that to the best of Seller's  
9 knowledge: (a) The domestic well has provided an adequate supply of water to the Property throughout the year for household use;  
10 (b) The water is fit for human consumption; and (c) The continued use of the well and water complies with all applicable state and  
11 federal laws. No other representations are made concerning the well and well water supply, except as expressly stated elsewhere in  
12 this Agreement and the Seller's Property Disclosure Statement, if applicable.

13 2. SELLER TESTING: Within 150 business days, (five (5) if not filled in) after Buyer and Seller have signed this Agreement, Seller shall,  
14 at Seller's cost, have the well tested in accordance with Oregon law. The test results shall be submitted to Buyer and the Oregon  
15 Drinking Water Services within forty-eight (48) hours following receipt.

16 3. BUYER TESTING: Within \_\_\_\_\_ business days, (five (5) if not filled in) after Buyer and Seller have signed this Agreement, Buyer may,  
17 at Buyer's expense, have the well water tested for quantity or quality by a qualified professional testing service. (See Section 7 below  
18 for selected test, if any.)

19 4. BUYER RIGHT OF TERMINATION: Buyer shall have the absolute right to terminate this transaction by delivering written notice of  
20 unconditional termination, together with a copy of all test reports, to Seller or Listing Licensee, within three (3) business days after  
21 Buyer's receipt thereof. In such case, all earnest money deposits shall be promptly refunded to Buyer and this transaction shall be  
22 terminated.

23 5. WELL REGISTRATION: In the event any wells located upon the Property are not currently registered as a part of the Oregon's Well  
24 Identification Program, Seller agrees to assist Buyer, at Buyer's expense, in registering them. The preceding sentence shall survive  
25 Closing of this transaction.

26 **WELL INFORMATION AND ADDITIONAL TESTS**

27 WELL INFORMATION PROVIDED BY SELLER;  
28 Seller shall provide Buyer with the following information regarding the well located on or serving the Property:  
29  well logs (specify) \_\_\_\_\_  
30  well test reports (specify) \_\_\_\_\_  
31  other reports (specify) \_\_\_\_\_  
32  none. Seller has no documents regarding the well.

33 PROFESSIONAL WELL TESTING  
34 6. Seller agrees, at Seller's expense, to have the well tested for arsenic, nitrates and total coliform bacteria and such matters as are required  
35 by the Oregon Health Division.

36 Buyer Initials FC Date 08/06/2014

Seller Initials JM / CM Date 07-Aug-2014



Sale Agreement # 05142kn1  
Addendum 3

- 37 7. Buyer elects to have the following additional professional tests performed:
- 38  Well flow test  Buyer's expense  Seller's expense
- 39  Lead test  Buyer's expense  Seller's expense
- 40  Additional water quality tests:  Buyer's expense  Seller's expense
- 41
- 42  Other (specify) State Mandated Nitrates, Coliform, Arsenic
- 43  Buyer's expense  Seller's expense
- 44  none. (Buyer should seek competent professional advice before checking this option. Buyer's rights to terminate this
- 45 transaction based upon any test report showing a substantial deficiency in quantity or quality of well water are set forth in Section
- 46 4 above. Buyer should review them carefully.)

47 TIME IS OF THE ESSENCE

- 48 8. All professional tests, inspections or reports agreed to be performed in this Addendum shall be ordered by the party responsible for paying
- 49 for them within 150 business days (five (6) if not filled in) after the date both parties have signed this Addendum.
- 50 9. Buyer and Seller shall use their best efforts to obtain the required or elected tests, inspections or reports in a timely manner and shall
- 51 promptly submit the results of such tests, inspections or reports to the other party. Completed tests, inspections or reports shall be
- 52 submitted to the other party within forty-eight (48) hours after receipt.

53 BUYER'S ACKNOWLEDGMENT

54 Buyer acknowledges that the Property is served by one or more private wells. Buyer understands that while Seller has represented that,

55 to the best of Seller's knowledge, the private well(s) located on or serving the Property has/have provided an adequate supply of water

56 throughout the year for household use, and, to the best of Seller's knowledge, is/are fit for human consumption, this is not a warranty or

57 guarantee. Natural and man-made events can and do occur that may quickly change well water quality and quantity. Events such as

58 development and drought can affect the quality and quantity of well water. Any well test is merely a snapshot in time and is not a

59 guarantee of a well's future performance. All well tests, inspections or reports should be viewed in this light. Buyer acknowledges that

60 Buyer has not received or relied upon any oral or written statements regarding the well(s) made by Seller or any real estate licensee not

61 expressly contained in the Real Estate Sale Agreement or this Addendum. Buyer should secure expert advice. Your real estate licensee

62 is not an expert in well water quality or quantity.

63

64 Buyer [Signature] Date 08/06/2014 ← Seller James L Moore Date 07-Aug-2014  
Cypress Creek Renovables, LLC James L Moore

65 Buyer \_\_\_\_\_ Date \_\_\_\_\_ ← Seller Cheryl L Moore Date 07-Aug-2014  
Cheryl L Moore

66 Selling Licensee Terry K Nash ← Listing Licensee Terry K Nash  
Terry K Nash Terry K Nash

67 Selling Firm Coldwell Banker Holman Premier Realty ← Listing Firm Coldwell Banker Holman Premier Realty



ADDENDUM TO REAL ESTATE SALE AGREEMENT

1 This is an Addendum to:  Real Estate Sale Agreement  Seller's Counter Offer  Buyer's Counter Offer
2 Re: Real Estate Sale Agreement No. 0514TKn1 Dated Addendum No. 4
3 Buyer: Cypress Creek Renewables, LLC
4 Seller: James L. Moore, Cheryl L. Moore

5 The real property described as: 13777 Falvey Road, Merrill, Or 97633

6 SELLER AND BUYER HEREBY AGREE THE FOLLOWING SHALL BE A PART OF THE REAL ESTATE SALE AGREEMENT REFERENCED
7 ABOVE.

8 Buyer to have access to the property day of closing. Seller will have 45 days after closing to
9 remove personal belongings from barn, storage buildings and all dwellings. Buyer to have access
10 to storage buildings, barn and dwellings 45 days after closing.

11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

28 Buyer Signature [Signature] Date 08/06/2014 a.m. X p.m. ←
Cypress Creek Renewables, LLC
29 Buyer Signature Date a.m. p.m. ←
30 Seller Signature [Signature] Date 07-Aug-2014 a.m. p.m. ←
James L. Moore
31 Seller Signature [Signature] Date 07-Aug-2014 a.m. p.m. ←
Cheryl L. Moore
32 Selling Licensee Terry K. Nash Listing Licensee Terry K. Nash

This form has been licensed for use solely by Terry Nash pursuant to a Forms License Agreement with Oregon Real Estate Forms, LLC.



## VACANT LAND - BUYER ADVISORY

1 The following Advisory is intended to briefly address some of the practical and legal issues that can arise in the purchase  
 2 of vacant land. What follows is a summary of a few of the more important issues - however, it is by no means exhaustive.  
 3 Your real estate broker is not an expert in water law, zoning, environmental issues, easements, etc. and you should  
 4 secure your own independent expert(s) when purchasing vacant land. Caution: This Advisory is not intended to be a  
 5 complete summary of all issues, does not constitute legal advice, and should not be relied upon in lieu of securing legal  
 6 advice from one or more experts.

7 As a part of your due diligence in making a decision to purchase vacant land, you may wish to consider  
 8 contacting neighbors in order to learn about the subject property as well as other nearby properties.

9 **1. BOUNDARIES, ENCROACHMENTS AND FENCES:** Vacant land consisting of acreage may have been surveyed at some  
 10 point in time. If so, the buyer should review the survey and if there are any questions or concerns raised by the document, it  
 11 should be reviewed by an expert. Encroachments (i.e., where other property or structures cross over a boundary line) are not  
 12 uncommon with large parcels of land. Buyers cannot necessarily rely upon the location of a fence (especially an old fence) as  
 13 representing the legally described boundary line contained in the deed. If in doubt, the buyer should consider having a new survey  
 14 before finalizing the purchase. Continuous occupancy of land can give rise to certain legal rights to the occupant, so it is important  
 15 that this issue be discussed with the seller and anyone else familiar with the history of the property. (Note: An owner's policy of title  
 16 insurance does not insure the buyer against legal claims of ownership or use arising in third parties over the lapse of time.)

17 **2. ACCESS AND EASEMENTS:** Is there legal access into and out of the property to a public road or highway? If the access is  
 18 privately owned by a third party, is there legal access allowed by an easement or other legal means? Has a document providing  
 19 access, such as an easement, been duly recorded and has the easement ever been surveyed? Is the survey recorded?  
 20 Sometimes private access roads allow others to use them as well. If so, the buyer should make sure they know the exact location  
 21 of the easement, that it is legally described in writing and properly recorded, and that the obligations for sharing the cost of  
 22 maintenance, repair, insurance and other related expenses are covered. The buyer must make sure that the purpose of the  
 23 easement is clearly defined and that it is adequate to meet the buyer's intended purpose. Are there any limitations on use of the  
 24 easement? Does it appear that there are any unauthorized users of any private access roads? If so, those unauthorized users  
 25 could acquire certain legal rights by continuous use over a long period of time.

26 **3. ZONING, ENVIRONMENTAL / CONSERVATION / GOVERNMENTAL LIMITATIONS, DEED RESTRICTIONS, ETC.:** Buyers  
 27 should make sure that there are no recorded or public limitations or restrictions that will interfere with or negatively impact the  
 28 intended use of the property. Buyers should verify the zoning, visit the local building department, and review all recorded  
 29 limitations and use restrictions. This is where an expert land use consultant can become very important.

30 **4. SOIL CONDITIONS, BURIED UNDERGROUND STORAGE TANKS, CONTAMINATION:** Some vacant land can contain fill or  
 31 debris that will need to be removed from the property, depending upon intended use. Prior use of the land is important to know.  
 32 Are there any contaminants, possible contaminants, underground storage or fuel tanks (abandoned or not) located in or on the  
 33 property? Have there been any environmental studies performed? If not, should one or more studies be made a condition of  
 34 purchase? Use of a good soils engineering and environmental consulting companies may be appropriate before purchase.

35 **5. WATER RIGHTS, SOURCES, WELL:** Buyers should not purchase vacant land unless and until they have thoroughly satisfied  
 36 themselves that they are aware of all sources of water for irrigation, potable drinking water, and that the owner has established and  
 37 properly registered all necessary water rights. If there are one or more wells used for domestic water purposes upon acceptance  
 38 of an offer to purchase the land, the seller must have the well(s) tested for certain contaminants, such as bacteria, coliform,  
 39 arsenic, etc. (See, ORS 440.271.) Water flow of all operating wells should be tested. Buyers should confirm whether all work to  
 40 construct, alter, abandon or convert a well has been properly permitted. For more information, buyers should check with the  
 41 Oregon Water Resources Commission and the Water Resources Department. (See also, ORS Chapter 537.)

42 **6. FLOODING, DRAINAGE, NATURAL DISASTERS:** Does the property lie in a floodplain or floodway? Has the buyer reviewed  
 43 a floodplain map? Has the buyer spoken to the local jurisdiction regarding any history of flooding? Is the land near a river or other  
 44 body of water? Have there been any natural or manmade disasters affecting the land, including settling or shifting ground? Is the

This form has been licensed for use solely by Terry Nash pursuant to a Forms License Agreement with Oregon Real Estate Forms, LLC.

LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE AND DATE

Copyright Oregon Real Estate Forms, LLC 2010 - 2014 [www.orefonline.com](http://www.orefonline.com)

No portion may be reproduced without express permission of Oregon Real Estate Forms, LLC

OREF-030

Produced with ezForm9 by ezLogic 16070 Fifteenth Ave. Ross, Fraser, Michigan 48026 [www.ezform9.com](http://www.ezform9.com)

*Terry Nash*

JFO

JM

07-Aug-2014

GM

07-Aug-2014



45 property located within a drainage district? Are there any drainage easements? Have the easements been recorded on the public  
46 record? A close review of the preliminary title report will tell the buyer what documents have been recorded on the property. If  
47 there is a legal right affecting use of the property, it should be recorded and appear on the preliminary title report.

48 7. SPECIAL ASSESSMENT BASED ON USE: Is the property specially assessed due to its current use (e.g., farm, forest or  
49 other)? If buyer intends to continue that use and take the benefit of the current tax deferral, he/she should carefully verify before  
50 closing that the property is not in danger of disqualification for the special assessment or that buyer's intended use will not  
51 jeopardize its current tax status. Loss of a special assessment status could result in a recapture of the prior deferred taxes.

52 8. UTILITIES: Are public utility services available such as sewer, water, electricity, and telephone service? If so, the buyer should  
53 determine where all underground utilities are located. If there are any private utilities on the land, how old are the systems and  
54 what condition are they in? Have repairs ever been necessary and if so, are there any records of them? Was all work permitted  
55 where required? Has a percolation test ever been performed on the property? What about the location and condition of any  
56 drainfields, septic or other sewage systems? Where appropriate, identifying the location, type and condition/repair of the private  
57 utilities may have to be made a condition of purchase.

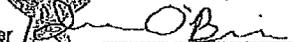
58 9. PRIOR AND EXISTING USE OF THE PROPERTY: What is the buyer's intended use for the property, e.g., the raising of crops  
59 or cattle? Has the land ever been put to that use before? If so, has the use ever been changed? Is the buyer's intended use  
60 restricted or limited in any way? Is the land located near any industrial or commercial facilities or operations that may have an  
61 environmental impact on the property (e.g. sound, odor, vibration, or contamination on or under the land)? If there are any  
62 abandoned structures on the property, will they have to be removed because of prior drug manufacture or for other reasons, such  
63 as an attractive nuisance for trespassers or children?

64 10. VERIFICATION OF APPROVED USES: Prior to purchasing vacant property, the buyer should verify all approved uses. If  
65 residential construction is intended, will fire protection be available? Vacant property can be subject to certain land use laws. Prior  
66 to purchase buyers should: (a) Check with the appropriate city or county planning department to verify that the property is a lawfully  
67 established lot or parcel; (b) Verify that the approved uses are consistent with buyer's intended use, and (c) Inquire about the rights  
68 of neighboring property owners, if any, pursuant to all applicable laws.

69 11. CONCLUSION. Buyers of vacant land have a responsibility to perform their own due diligence in order to ensure that their  
70 intended use is legally permissible and economically feasible. Land use laws, zoning and other regulations can change in the  
71 future, and buyers should be sure to find out if any such changes might be enacted in the future which could negatively impact their  
72 intended use. This includes checking with the appropriate governmental agencies, departments, and planners, and possibly hiring  
73 an independent expert consultant.

74 ACKNOWLEDGEMENT

75 The undersigned Buyer(s) acknowledge that they (a) have read and understand this Advisory; (b) have been provided  
76 with a copy for their own files, and (c) are aware that the use of one or more experts is recommended before entering into  
77 a binding transaction for the purchase of vacant land.

78 Buyer  Date 08/06/2014 Buyer \_\_\_\_\_ Date \_\_\_\_\_ ←  
Cypress Creek Renewables, LLC

79 Selling Licensee Terry K Nash Selling Firm Coldwell Banker Holman Premier Realty

JM 07-Aug-2014

CM 07-Aug-2014

**EXHIBIT D-1  
SELLER'S MOTIVE FORCE PLAN**

**A. MONTHLY DELIVERY SCHEDULES AND SCHEDULED MAINTENANCE**

Month	Post Processing Net Yield Year 1 (kwh)
January	722,322.33
February	972,606.72
March	1,653,157.25
April	1,958,789.12
May	2,467,062.15
June	2,624,334.24
July	2,743,869.03
August	2,528,498.42
September	2,067,549.96
October	1,450,663.69
November	759,386.64
December	703,902.92
<b>PVSYST Total + Post Processing</b>	<b>20,652,142.48</b>

Seller provide an estimate of the average monthly Net Output of the Facility, and explain the basis for the estimate. Average estimated generation is 20,652,142 kWh with a degradation rate of .77% per year. Generation estimates are based on Solar Advisement Model analysis.

**B. MINIMUM ANNUAL DELIVERY CALCULATION**

Seller specify the Minimum Annual Delivery of the Facility, and explain the basis for the estimate. NOTE: The Minimum Annual Delivery should be based on the most adverse natural motive force conditions reasonably expected and should take into account maintenance and Seller's load (if any). Minimum estimated generation is 13,556,223 kWh. Generation estimates are based on Solar Advisement Model analysis.

**C. MAXIMUM ANNUAL DELIVERY CALCULATION**

Seller specify the estimated Maximum Annual Delivery of the Facility, and explain the basis for the estimate. Maximum estimated generation is 23,742,601 kWh. Generation estimates are based on Solar Advisement Model analysis.

**EXHIBIT D-2**  
**ENGINEER'S CERTIFICATION**  
**OF**  
**MOTIVE FORCE PLAN**

*Seller provide a written declaration from a Licensed Professional Engineer to PacifiCorp that the Facility is likely capable under average conditions foreseeable during the term of this Agreement of meeting Seller's estimated average, maximum, and minimum Net Output.*

See attached letter



January 1, 2015  
Chris Norqual  
Cypress Creek Renewables  
3250 Ocean Park Blvd, Ste. 355  
Santa Monica, CA 90405  
(310) 581.6299 Office

Dear Chris,

RRC is providing this production yield estimate to Cypress Creek Renewables for the Falvey Solar Facility. The estimate provides the likely maximum, and minimum and typical Net Output of the Facility. The assumptions used in the estimate are documented within the attached PVsyst modeling report, assuming the installation of the Yingli Modules. The data from PVsyst was post-processed, as discussed below, to provide these values.

**A. MONTHLY DELIVERY SCHEDULES AND SCHEDULED MAINTENANCE**

The average estimated generation is 20,652,142 kWh with an annual linearized degradation rate of 0.77% identified in the module power output schedule of the Yingli YL300P-35b warranty. The data was post-processed to account for a 0.8% availability loss and a 0.9% AC loss to the POI.

Month	Post Processing Net Yield Year 1 (kwh)
January	722,322.33
February	972,606.72
March	1,653,157.25
April	1,958,789.12
May	2,467,062.15
June	2,624,334.24
July	2,743,869.03
August	2,528,498.42
September	2,067,549.96
October	1,450,663.69
November	759,386.64
December	703,902.92
<b>PV SYST Total + Post Processing</b>	<b>20,652,142.48</b>

**TABLE 1. TYPICAL MONTHLY DELIVERY SCHEDULE - P50 WITH POST PROCESSING LOSSES**

**B. MINIMUM ANNUAL DELIVERY CALCULATION**

The Minimum Annual Delivery of the facility is based on the estimated most adverse natural conditions reasonably expected. To calculate this, the P99 results identified in the PVsyst report was used with the subtraction of the assumed available loss, AC collector system loss and a 25% contingency.

Minimum estimated first-year generation is 13,556,223 kWh.

Subsequent years are subject to the 0.77% module degradation factor.

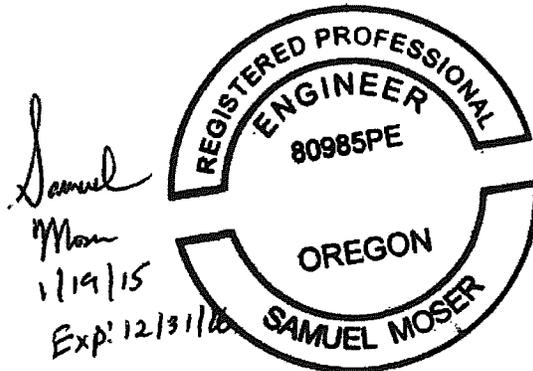
**C. MAXIMUM ANNUAL DELIVERY CALCULATION**

The Maximum Annual Delivery of the facility is based on the estimated probability model identified in the PVsyst report. The P1 results identified in the PVsyst report are used with the subtraction of the assumed available loss and AC collector system loss.

Maximum estimated first-year generation is 23,742,601 kWh.

Subsequent years are subject to the 0.77% module degradation factor.

Regards,



Samuel Moser

- Attached:
1. PVSYST V6.22, Falvey Solar Project 29/12/14 PVSYST Report Pages 1-6
  2. Yingli Warranty, Pages 1-2

**Falvey - NorWest Energy 12, LLC**  
Tracking 10.4595 MW DC

**Grid-Connected System: Simulation parameters**

**Project :** Falvey

**Geographical Site** Falvey\_SP\_satellitedata **Country** United States

**Situation** Latitude 42.1°N Longitude 121.7°W  
Time defined as Legal Time Time zone UT-8 Altitude 1311 m  
Albedo 0.20

**Meteo data:** Falvey\_SP\_satellitedata TMY - NREL: TMY2

**Simulation variant :** Tracking 10.4595 MW  
Simulation date 29/12/14 20h36

**Simulation parameters**

**Tracking plane, tilted Axis** Axis Tilt 0° Axis Azimuth 0°  
Rotation Limitations Minimum Phi -60° Maximum Phi 60°

**Backtracking strategy** Tracker Spacing 5.97 m Collector width 1.97 m  
Inactive band Left 0.00 m Right 0.00 m

**Models used** Transposition Perez Diffuse Imported

**Horizon** Free Horizon

**Near Shadings** Linear shadings

**PV Array Characteristics**

**PV module** Si-poly Model **YL300P-35b**  
Manufacturer Yingli Solar  
Number of PV modules In series 19 modules In parallel 1835 strings  
Total number of PV modules Nb. modules 34865 Unit Nom. Power 300 Wp  
Array global power Nominal (STC) **10460 kWp** At operating cond. 9366 kWp (50°C)  
Array operating characteristics (50°C) U mpp 616 V I mpp 15201 A  
Total area Module area **67997 m²** Cell area 61075 m²

**Inverter**

Model **Sunny Central 800CP-US**  
Manufacturer SMA  
Characteristics Operating Voltage 570-820 V Unit Nom. Power 800 kW AC  
Inverter pack Nb. of inverters 10 units Total Power 8000 kW AC

**PV Array loss factors**

**Array Soiling Losses**

Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
3.0%	3.0%	2.0%	1.5%	1.5%	1.5%	3.0%	4.5%	6.0%	1.5%	2.0%	3.0%

Thermal Loss factor Uc (const) 25.0 W/m²K Uv (wind) 1.2 W/m²K / m/s

Wiring Ohmic Loss Global array res. 0.68 mOhm Loss Fraction 1.5 % at STC

LID - Light Induced Degradation Loss Fraction 1.5 %

Module Quality Loss Loss Fraction -1.1 %

Module Mismatch Losses Loss Fraction 1.0 % at MPP

Incidence effect, ASHRAE parametrization IAM = 1 - bo (1/cos i - 1) bo Param. 0.04

**Falvey - NorWest Energy 12, LLC**  
Tracking 10.4595 MW DC

**Grid-Connected System: Simulation parameters (continued)**

**System loss factors**

AC loss, transfo to injection	Grid Voltage	35 kV		
	Wires	3910 m 3x240 mm <sup>2</sup>	Loss Fraction	0.3 % at STC
External transformer	Iron loss (Night disconnect)	14356 W	Loss Fraction	0.1 % at STC
	Resistive/Inductive losses	0.0 mOhm	Loss Fraction	0.8 % at STC

**User's needs :** Unlimited load (grid)

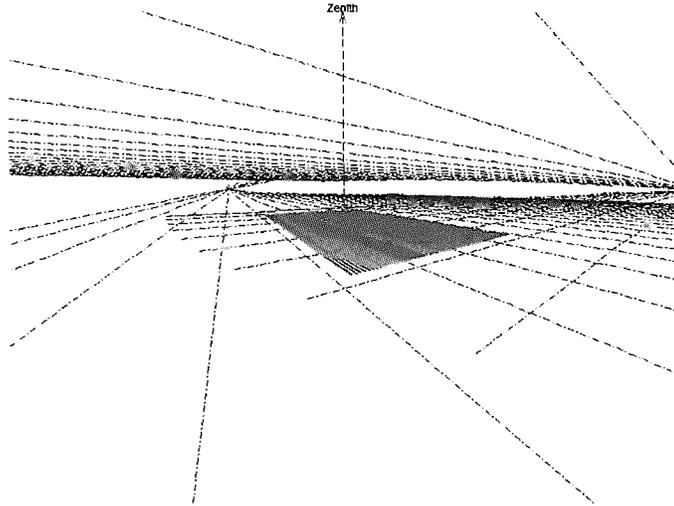
**Falvey - NorWest Energy 12, LLC**  
Tracking 10.4595 MW DC

**Grid-Connected System: Near shading definition**

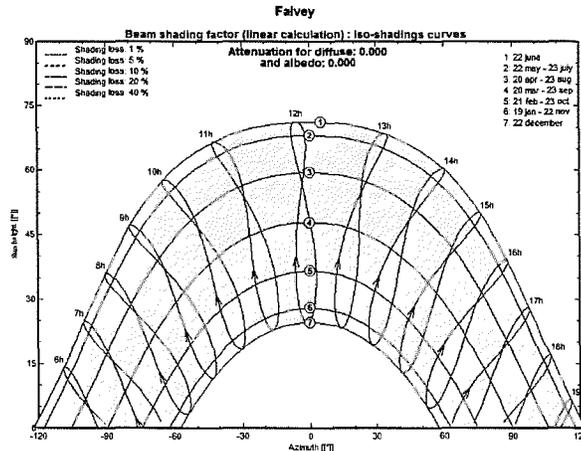
**Project :** Falvey  
**Simulation variant :** Tracking 10.4595 MW

<b>Main system parameters</b>	<b>System type</b>	<b>Grid-Connected</b>	
<b>Near Shadings</b>	Linear shadings		
PV Field Orientation	tracking, tilted axis, Axis Tilt	0°	Axis Azimuth 0°
PV modules	Model	YL300P-35b	Pnom 300 Wp
PV Array	Nb. of modules	34865	Pnom total <b>10460 kWp</b>
Inverter	Model	Sunny Central 800CP-US	Pnom 800 kW ac
Inverter pack	Nb. of units	10.0	Pnom total <b>8000 kW ac</b>
User's needs	Unlimited load (grid)		

**Perspective of the PV-field and surrounding shading scene**



**Iso-shadings diagram**



**Falvey - NorWest Energy 12, LLC**  
Tracking 10.4595 MW DC

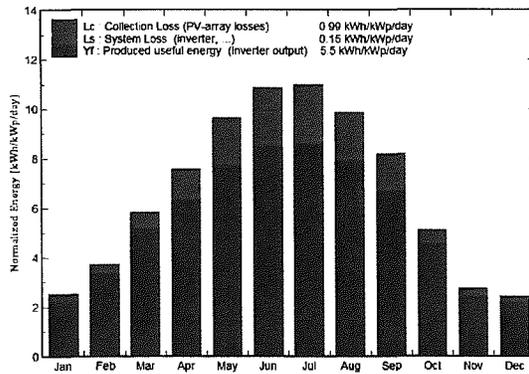
**Grid-Connected System: Main results**

**Project :** Falvey  
**Simulation variant :** Tracking 10.4595 MW

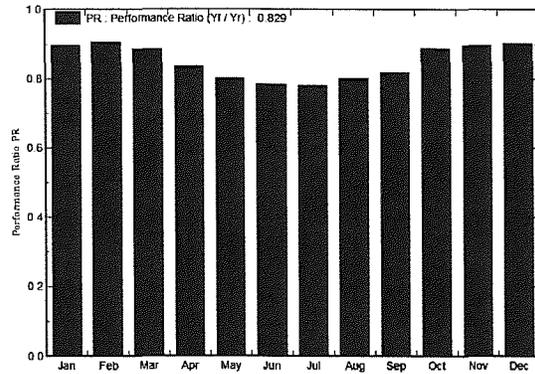
<b>Main system parameters</b>	System type	<b>Grid-Connected</b>		
<b>Near Shadings</b>	Linear shadings			
PV Field Orientation	tracking, tilted axis, Axis Tilt	0°	Axis Azimuth	0°
PV modules	Model	YL300P-35b	Pnom	300 Wp
PV Array	Nb. of modules	34865	Pnom total	<b>10460 kWp</b>
Inverter	Model	Sunny Central 800CP-US	Pnom	800 kW ac
Inverter pack	Nb. of units	10.0	Pnom total	<b>8000 kW ac</b>
User's needs	Unlimited load (grid)			

**Main simulation results**  
System Production **Produced Energy 21009 MWh/year** Specific prod. 2009 kWh/kWp/year  
Performance Ratio PR **82.9 %**

**Normalized productions (per installed kWp): Nominal power 10460 kWp**



**Performance Ratio PR**



**Tracking 10.4595 MW**  
**Balances and main results**

	GlobHor kWh/m²	T Amb °C	GlobInc kWh/m²	GlobEff kWh/m²	EArray MWh	E_Grid MWh	EffArrR %	EffSysR %
<b>January</b>	54.1	0.72	78.1	71.0	754	735	14.19	13.83
<b>February</b>	73.7	0.46	104.2	95.7	1016	989	14.34	13.96
<b>March</b>	129.6	1.85	181.1	169.8	1727	1682	14.03	13.66
<b>April</b>	170.8	4.11	227.5	215.5	2048	1993	13.24	12.88
<b>May</b>	217.7	9.52	299.1	285.0	2580	2510	12.69	12.34
<b>June</b>	239.5	14.49	325.4	311.2	2745	2670	12.41	12.06
<b>July</b>	247.4	19.47	341.0	321.8	2870	2791	12.38	12.04
<b>August</b>	219.2	17.96	306.0	283.7	2645	2572	12.71	12.38
<b>September</b>	170.0	15.44	245.3	222.7	2160	2103	12.95	12.61
<b>October</b>	109.8	9.55	158.5	149.3	1515	1476	14.05	13.69
<b>November</b>	57.7	3.49	82.2	75.8	793	773	14.19	13.82
<b>December</b>	53.0	0.29	75.7	68.7	735	716	14.28	13.90
<b>Year</b>	<b>1742.3</b>	<b>8.16</b>	<b>2424.3</b>	<b>2270.1</b>	<b>21590</b>	<b>21009</b>	<b>13.10</b>	<b>12.75</b>

Legends: GlobHor Horizontal global irradiation  
T Amb Ambient Temperature  
GlobInc Global incident in coll. plane  
GlobEff Effective Global, corr. for IAM and shadings  
EArray Effective energy at the output of the array  
E\_Grid Energy injected into grid  
EffArrR Effc Eout array / rough area  
EffSysR Effc Eout system / rough area

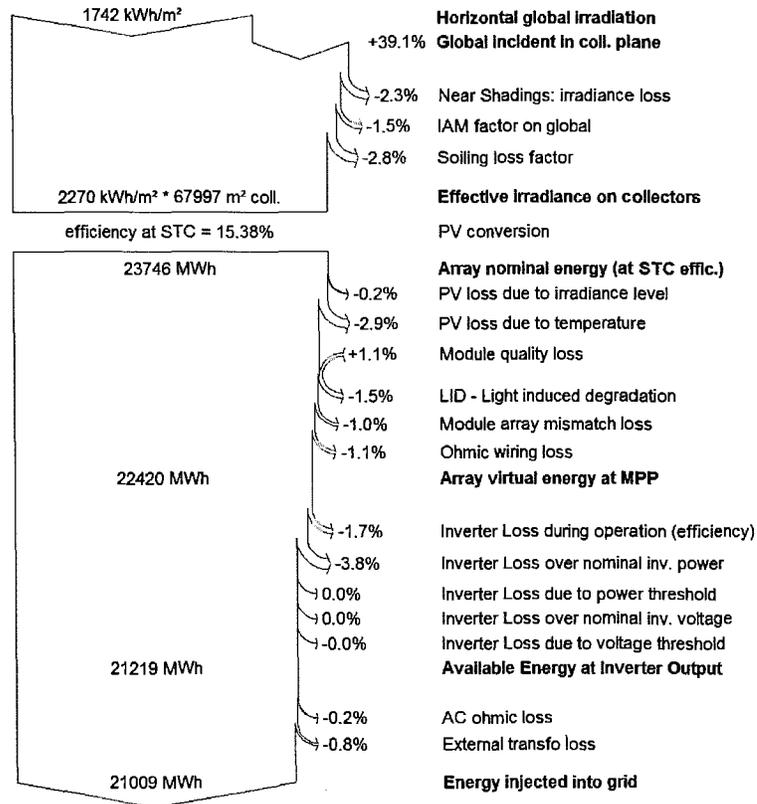
**Falvey - NorWest Energy 12, LLC**  
Tracking 10.4595 MW DC

**Grid-Connected System: Loss diagram**

**Project :** Falvey  
**Simulation variant :** Tracking 10.4595 MW

Main system parameters	System type	Grid-Connected		
<b>Near Shadings</b>	Linear shadings			
PV Field Orientation	tracking, tilted axis, Axis Tilt	0°	Axis Azimuth	0°
PV modules	Model	YL300P-35b	Pnom	300 Wp
PV Array	Nb. of modules	34865	Pnom total	<b>10460 kWp</b>
Inverter	Model	Sunny Central 800CP-US	Pnom	800 kW ac
Inverter pack	Nb. of units	10.0	Pnom total	<b>8000 kW ac</b>
User's needs	Unlimited load (grid)			

**Loss diagram over the whole year**



**Falvey - NorWest Energy 12, LLC**  
Tracking 10.4595 MW DC

**Grid-Connected System: P50 - P90 evaluation**

**Project :** Falvey  
**Simulation variant :** Tracking 10.4595 MW

<b>Main system parameters</b>	System type	<b>Grid-Connected</b>		
<b>Near Shadings</b>	Linear shadings			
PV Field Orientation	tracking, tilted axis, Axis Tilt	0°	Axis Azimuth	0°
PV modules	Model	YL300P-35b	Pnom	300 Wp
PV Array	Nb. of modules	34865	Pnom total	<b>10460 kWp</b>
Inverter	Model	Sunny Central 800CP-US	Pnom	800 kW ac
Inverter pack	Nb. of units	10.0	Pnom total	<b>8000 kW ac</b>
User's needs	Unlimited load (grid)			

**Evaluation of the Production probability forecast**

The probability distribution of the system production forecast for different years is mainly dependent on the meteo data used for the simulation, and depends on the following choices:

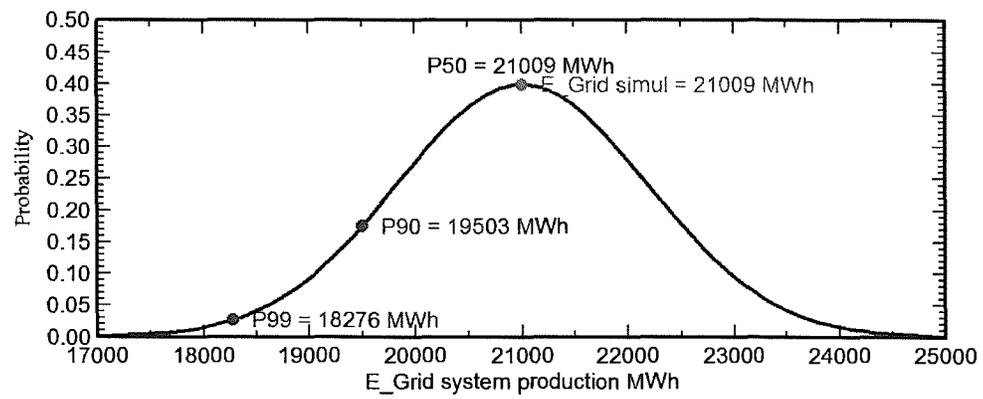
Meteo data source	NREL: TMY2
Meteo data	Kind TMY, multi-year
Specified Deviation	Climate change 0.0 %
Year-to-year variability	Variance 5.0 %

The probability distribution variance is also depending on some system parameters uncertainties

Specified Deviation	PV module modelling/parameters	2.0 %	
	Inverter efficiency uncertainty	0.5 %	
	Soiling and mismatch uncertainties	1.0 %	
	Degradation uncertainty	1.0 %	
Global variability (meteo + system)	Variance	5.6 %	(quadratic sum)

Annual production probability	<b>Variability</b>	<b>1174 MWh</b>
	<b>P50</b>	<b>21009 MWh</b>
	<b>P90</b>	<b>19503 MWh</b>
	<b>P99</b>	<b>18276 MWh</b>

**Probability distribution**



# YINGLI SOLAR PV MODULE Limited Warranty

Revision Date Oct 1st, 2011



Yingli Green Energy Holding Company Limited ("Yingli Solar") provides the following Limited Product Warranty and Limited Power Warranty (collectively, the "Limited Warranty") with respect to its photovoltaic module products ("PV Modules"), subject to the conditions, exclusions and limitations set forth below.

## 1 LIMITED PRODUCT WARRANTY

Yingli Solar warrants to the original end user purchaser (the "Customer") that the PV Modules shall be free from defects in materials and workmanship under normal application, use and service conditions during the period beginning on the earlier of the date the PV Modules were purchased by the Customer or one (1) year from factory dispatch (the "Warranty Start Date") and ending ten (10) years after such Warranty Start Date. If a PV Module fails to conform to this Limited Product Warranty during this ten-year period, Yingli Solar will, at its reasonable option, either (a) repair or replace the defective PV Module at no charge to the Customer for replacement modules or parts, or (b) provide the Customer with a refund equal to the current market price of a comparable PV Module at the time of the Customer's claim. This Limited Product Warranty does not warrant a specific power output, which shall be exclusively covered under the Limited Power Warranty below.

## 2 LIMITED POWER WARRANTY

### A. 25 Year Performance Warranty:

Yingli Solar further warrants that if, within twenty-five (25) years after the Warranty Start Date, any PV Module exhibits a power output less than the nominal power performance for that PV Module as specified by the original product label and the "scheduled performance value ("SPV") identified in Section 2C, and if such decrease in power below the SPV is determined to be due to defects in materials or workmanship under normal application, use and service conditions, Yingli Solar will remedy such decrease in power by, at its reasonable option, either (a) repair or replace the defective PV Module at no charge to the Customer for replacement modules or parts, (b) provide the Customer with additional PV Module(s) to make up for such decrease in power so that the power output equals or exceeds the SPV Threshold, provided, it is possible for the Customer to mount such additional PV Module(s), or (c) refund the difference between the actual power output of the PV Module and the SPV Threshold, based on the current market price of a comparable PV Module at the time of the Customer's claim.

B. For purposes of determining PV Module power output, measurements shall be based on, or normalized to, standard test conditions of 1000W/m<sup>2</sup> irradiance, 25°C cell temperature, and AM 1.5 light spectrum. Measurements shall be made in accordance with IEC 60904, and shall account for measurement system error in accordance with EN 50380.

## C. Power Output Schedule

Period in Years from Warranty Start Date	Minimum Scheduled Performance Value (SPV)
0	100.00%
1	97.50%
2	96.80%
3	96.10%
4	95.40%
5	94.70%
6	94.00%
7	93.30%
8	92.60%
9	91.90%
10	91.20%
11	90.50%
12	89.80%
13	89.10%
14	88.40%
15	87.70%
16	87.00%
17	86.30%
18	85.60%
19	84.90%
20	84.20%
21	83.50%
22	82.80%
23	82.10%
24	81.40%
25	80.70%

## 3 GENERAL CONDITIONS, EXCLUSIONS AND LIMITATIONS

- A. THE LIMITED WARRANTIES STATED HEREIN ARE IN LIEU OF ALL OTHER EXPRESS WARRANTIES. IN NO EVENT SHALL ANY IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT, EXTEND BEYOND THE APPLICABLE WARRANTY PERIOD IDENTIFIED IN SECTIONS 1 OR 2, ABOVE. Some states or other deciding jurisdictions do not allow limitations on how long an implied warranty lasts, so the above limitation may not apply to you. This warranty gives you specific legal rights, and you may also have other rights which vary from state to state. No seller of the PV Modules nor any other person is authorized to make any warranties other than those set forth herein, or to extend the duration of the Limited Product or Limited Power Warranties beyond the periods set forth above, on behalf of Yingli Solar.
- B. Claims under the Limited Warranty must be received by Yingli Solar within the applicable warranty period for the Limited Warranty to be effective. The sales receipt from the first Customer purchase, or other reasonable documentary proof, is required in order to establish the Warranty Start Date.
- C. The Limited Warranty extends only to the original Customer and, if and so long as the PV Modules remain installed at the site where they were first installed, any person to whom title to the PV Modules has been transferred (each, a "Claimant").

# YINGLI SOLAR PV MODULE

## Limited Warranty

D. The Limited Warranty does not apply to any PV Modules which have been subjected to:

- Alteration, repair or modification without the expressed, prior written consent of Yingli Solar
- Removal of PV Modules and reinstallation at a new site
- Non-observance of Yingli Solar's Installation and User Manual
- Misuse, abuse, neglect, or accident in storage, transportation, handling, installation, application, use or service
- Electrical surges, lightning, flood, fire, vandalism, tampering, accidental breakage, mold discoloration, or other events beyond Yingli Solar's control, including without limitation any technological or physical event or condition that is not reasonably known or understood at the time the Customer purchased the PV Modules
- Installation on mobile platforms or in a marine environment; direct contact with corrosive agents or salt water; pest damage; or malfunctioning PV system components and other operating conditions, which are not expressly allowed in the Installation and User Manual
- Alteration, removal or obliteration of the original PV Module label

In addition, the Limited Warranty does not cover cosmetic blemishes associated with installation, or the normal wear and tear of PV Modules.

E. The Limited Warranty does not cover PV Module installation and removal of defective PV Modules, or reinstallation of repaired, replacement or additional PV Modules, or the costs of any of the foregoing; and do not cover any other costs, lost profits or lost revenues associated with the performance or non-performance of defective PV Modules; provided, however, that for accepted warranty claims, Yingli Solar shall be responsible for reasonable costs on a typical local standard associated with transporting defective, repaired, replacement or additional PV Modules from and back to Claimant.

F. Any additional PV Modules provided, and any PV Modules repaired or replaced, by Yingli Solar under a warranty claim shall be covered by the same Limited Warranties and terms as the first PV Modules purchased that were the subject of the claim; no warranty periods or terms shall be extended because of a warranty claim or remedy. Yingli Solar shall make commercially reasonable efforts to replace defective PV Modules with new or refurbished PV modules of the same or similar size and aesthetics but reserves the right to deliver another PV Module type in the event that Yingli Solar has discontinued production of the PV Module type that is the subject of the warranty claim provided, that such other PV Module type is compatible to the Customer's PV System. Replaced PV Modules and parts shall become the property of Yingli Solar.

### 4 OBTAINING WARRANTY SERVICE

To obtain warranty service, the Customer or other Claimant should promptly contact the seller from which they purchased the PV Modules, who will then provide instructions and forms for filing the claim. If such seller no longer exists or cannot be reached, the Customer or other

Claimant may contact Yingli Solar directly as indicated through our website, [www.yinglisolar.com](http://www.yinglisolar.com). Yingli Solar will not accept the return of allegedly defective PV Modules unless prior written authorization has been provided by Yingli Solar. Unless otherwise indicated, PV Modules that have been authorized for return by Yingli Solar shall be shipped to a local Customer Service Center as designated by Yingli Solar. In the event that a claim is rejected by Yingli Solar, the Claimant is entitled to challenge the results by appealing to an accredited testing laboratory.

### 5 EXCLUSIVE REMEDIES; LIMITATION OF LIABILITY

The Limited Product and Limited Power Warranties set forth herein shall be the sole and exclusive warranties granted by Yingli Solar, and shall be the sole and exclusive remedies available to the Customer or other Claimant for any breach of warranty, express or implied. Provision of remedies, in the manner and for the periods described herein, shall constitute complete fulfillment of all liabilities and responsibilities of Yingli Solar to the Customer and each other Claimant with respect to the PV Modules. IN NO EVENT WILL YINGLI SOLAR BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES ARISING FROM OR OUT OF THE PV MODULES OR THEIR INSTALLATION, USE, PERFORMANCE OR NON-PERFORMANCE, OR ANY DEFECT OR BREACH OF WARRANTY, WHETHER BASED ON CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER THEORY. DAMAGES FOR LOSS OF USE, LOSS OF PROFITS, LOSS OF REVENUES AND LOSS OF PRODUCTION ARE SPECIFICALLY DISCLAIMED. Some states do not allow the exclusion or limitation of incidental or consequential damages, so the above limitation or exclusion may not apply to you. UNDER NO CIRCUMSTANCES SHALL YINGLI SOLAR'S LIABILITY FOR NONCONFORMING PV MODULES EXCEED THE PURCHASE PRICE PAID BY THE CUSTOMER FOR THE PARTICULAR PV MODULES INVOLVED, PLUS REASONABLE TRANSPORTATION COSTS.

### 6 VALIDITY

This Limited Warranty applies to all PV Modules dispatched from Yingli Solar factories after October 1st, 2011, and belonging to the following product families:

YLXXXP (23b, 26b, 29b, 32b, 35b) Series

YLXXXP-PC (23b, 29b) Series

YLXXXP-PC (23b, 26b, 29b, 32b, 35b) Series

YLXXXP-PC (23b, 29b) Series

### 7 MISCELLANEOUS

If any part or provision of this Yingli Solar PV Module Limited Warranty, or the application thereof to any person or circumstance, is held invalid, void or unenforceable, such holding shall not affect any other parts, provisions or applications of this Yingli Solar PV Module Limited Warranty, which shall remain in full force. This Limited Warranty is available in multiple languages. If, for any reason, there is a conflict between the English-language version and any other version, the English-language version shall control.

Yingli Green Energy Holding Co. Ltd.

YINGLISOLAR.COM | NYSE:YGE

© Yingli Green Energy Holding Co. Ltd. | WJ-LEGAL-YGE-LINEAR-EN-201110-w03



## EXHIBIT E

### START-UP TESTING

Start-Up Testing shall consist of the Quality Assurance/Quality Control plans and procedures developed by the EPC Contractor.

Contractor shall submit to Owner a final copy of its quality assurance/quality control (QA/QC) plan for review not later than 45 days after contract execution for Owner review and comment.

The QA/QC program shall include, but is not limited to, such procedures and systems as the following:

- Road construction
- Rebar and conduit placement
- Concrete placement and testing
- All wire insulation testing—Megger testing or very low frequency testing
- Mechanical system—trackers, mounting structures, tracker controls
- Factory testing of inverters and transformers by the manufacturer
- PV source open-circuit measurements—VOC at combiner boxes
- Fuse tests
- Termination pull testing
- All visual inspections
- Grounding continuity testing
- Earth-ground resistivity testing
- PV module inspection and manufacturer documentation of factory test per the manufacturer's existing program
- Metering and instrumentation calibration testing
- Step-up transformer field testing
- Inverter phase rotation and matching with utility
- Relay settings/transfer trip/etc. at the point of interconnection to Owner
- Other Contractor-prescribed procedures

All QA/QC testing procedures onsite shall be witnessed and documented by a qualified representative of Contractor. Owner shall observe and witness QA/QC as necessary and at its discretion. A qualified field engineer/QA representative of Contractor shall date and sign documentation indicating completion and acceptance of each onsite QA/QC test procedures.

Following installation, Contractor shall provide a proposed commissioning and startup plan for the Plant.

Contractor shall coordinate with Owner to develop an acceptable commissioning plan that includes a checkout and startup procedure. This work will assure: that systems are activated in a manner that is safe for personnel as well as for the equipment, that Contractor work is complete and according to the contract documents, and that the systems perform as required by the contract documents and are ready to be turned over to Owner. As the construction and installation of the systems nears completion, Contractor shall prepare punch lists and conduct system walk-downs, sub-system and system checkouts, startups, testing, and turnovers.

The final approved Commissioning Procedures shall, at minimum, include the following:

- Safety plan during startup and commissioning
- Review of all QA/QC testing on the DC and AC sides of inverters
- Detailed procedure for PV Plant startup, including switching sequencing
- Confirm testing and energizing inverters in conformance with manufacturer's recommended procedures; note operating voltages; and confirm inverter is performing as expected
- Under full sun conditions, and after at least 15 minutes of operation, taking and recording PV Plant operating data—such as but not limited to MWDC, MWAC, VDC, VAC, IDC, IAC, Solar Radiation, etc.
- Testing the system control and monitoring system to verify that it is performing correctly
- Testing the communication system for offsite monitoring

- Testing the Plant metering and protective relaying in conjunction with the utility during energization procedures
- Detailed procedure for interface and initialization with the grid
- Documentation of successful startup and commissioning procedure
- Written notification submitted by Contractor to Owner that the completion of Commissioning has occurred

Upon successful completion of energizing and startup, the Plant will be considered operable.

## EXHIBIT E

### START-UP TESTING

Start-Up Testing shall consist of the Quality Assurance/Quality Control plans and procedures developed by the EPC Contractor.

Contractor shall submit to Owner a final copy of its quality assurance/quality control (QA/QC) plan for review not later than 45 days after contract execution for Owner review and comment.

The QA/QC program shall include, but is not limited to, such procedures and systems as the following:

- Road construction
- Rebar and conduit placement
- Concrete placement and testing
- All wire insulation testing—Megger testing or very low frequency testing
- Mechanical system—trackers, mounting structures, tracker controls
- Factory testing of inverters and transformers by the manufacturer
- PV source open-circuit measurements—VOC at combiner boxes
- Fuse tests
- Termination pull testing
- All visual inspections
- Grounding continuity testing
- Earth-ground resistivity testing
- PV module inspection and manufacturer documentation of factory test per the manufacturer's existing program
- Metering and instrumentation calibration testing
- Step-up transformer field testing
- Inverter phase rotation and matching with utility
- Relay settings/transfer trip/etc. at the point of interconnection to Owner
- Other Contractor-prescribed procedures

All QA/QC testing procedures onsite shall be witnessed and documented by a qualified representative of Contractor. Owner shall observe and witness QA/QC as necessary and at its discretion. A qualified field engineer/QA representative of Contractor shall date and sign documentation indicating completion and acceptance of each onsite QA/QC test procedures.

Following installation, Contractor shall provide a proposed commissioning and startup plan for the Plant.

Contractor shall coordinate with Owner to develop an acceptable commissioning plan that includes a checkout and startup procedure. This work will assure: that systems are activated in a manner that is safe for personnel as well as for the equipment, that Contractor work is complete and according to the contract documents, and that the systems perform as required by the contract documents and are ready to be turned over to Owner. As the construction and installation of the systems nears completion, Contractor shall prepare punch lists and conduct system walk-downs, sub-system and system checkouts, startups, testing, and turnovers.

The final approved Commissioning Procedures shall, at minimum, include the following:

- Safety plan during startup and commissioning
- Review of all QA/QC testing on the DC and AC sides of inverters
- Detailed procedure for PV Plant startup, including switching sequencing
- Confirm testing and energizing inverters in conformance with manufacturer's recommended procedures; note operating voltages; and confirm inverter is performing as expected
- Under full sun conditions, and after at least 15 minutes of operation, taking and recording PV Plant operating data—such as but not limited to MWDC, MWAC, VDC, VAC, IDC, IAC, Solar Radiation, etc.
- Testing the system control and monitoring system to verify that it is performing correctly
- Testing the communication system for offsite monitoring

- Testing the Plant metering and protective relaying in conjunction with the utility during energization procedures
- Detailed procedure for interface and initialization with the grid
- Documentation of successful startup and commissioning procedure
- Written notification submitted by Contractor to Owner that the completion of Commissioning has occurred

Upon successful completion of energizing and startup, the Plant will be considered operable.

**EXHIBIT F**  
**Seller Authorization to Release Generation Data to PacifiCorp**

See attached letter

**EXHIBIT F**

**Seller Authorization to Release Generation Data to PacifiCorp**

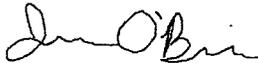
*[Interconnection Customer Letterhead]*

Transmission Services  
Attn: Vice President, Transmission Services  
825 NE Multnomah, Suite 1600  
Portland, OR 97232

**RE:    Q0618    Interconnection Request**

Dear Sir:

   NorWest Energy 12, LLC    hereby voluntarily authorizes PacifiCorp's Transmission business unit to share    NorWest Energy 12, LLC   's generator interconnection information and generator meter data with Marketing Affiliate employees of PacifiCorp Energy, including, but not limited to those in the Commercial and Trading group.    NorWest Energy 12, LLC    acknowledges that PacifiCorp did not provide it any preferences, either operational or rate-related, in exchange for this voluntary consent.



\_\_\_\_\_  
Name

Vice President  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

11/16/14  
\_\_\_\_\_  
Date

**Date**

**EXHIBIT G**  
**SCHEDULE 37 and PRICING SUMMARY TABLE**

Year	On-Peak ¢/kWh	Off-Peak ¢/kWh
2016	6.04	3.69
2017	6.32	3.91
2018	6.66	4.21
2019	6.99	4.50
2020	6.94	4.41
2021	7.23	4.65
2022	7.67	5.04
2023	7.92	5.24
2024	7.89	5.16
2025	8.09	5.32
2026	8.39	5.57
2027	8.66	5.78
2028	8.88	5.95
2029	9.07	6.09
2030	9.20	6.16
2031	9.35	6.25

**AVOIDED COST PURCHASES FROM  
QUALIFYING FACILITIES OF 10,000 KW OR LESS**

**Available**

To owners of Qualifying Facilities making sales of electricity to the Company in the State of Oregon.

**Applicable**

For power purchased from Qualifying Facilities with a nameplate capacity of 10,000 kW or less or that, together with any other electric generating facility using the same motive force, owned or controlled by the same person(s) or affiliated person(s), and located at the same site, has a nameplate capacity of 10,000 kW or less. Owners of these Qualifying Facilities will be required to enter into a written power sales contract with the Company.

**Definitions**

**Cogeneration Facility**

A facility which produces electric energy together with steam or other form of useful energy (such as heat) which are used for industrial, commercial, heating or cooling purposes through the sequential use of energy.

**Qualifying Facilities**

Qualifying cogeneration facilities or qualifying small power production facilities within the meaning of section 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 796 and 824a-3.

**Small Power Production Facility**

A facility which produces electric energy using as a primary energy source biomass, waste, renewable resources or any combination thereof and has a power production capacity which, together with other facilities located at the same site, is not greater than 80 megawatts.

**On-Peak Hours or Peak Hours**

On-peak hours are defined as 6:00 a.m. to 10:00 p.m. Pacific Prevailing Time Monday through Saturday, excluding NERC holidays.

Due to the expansions of Daylight Saving Time (DST) as adopted under Section 110 of the U.S. Energy Policy Act of 2005, the time periods shown above will begin and end one hour later for the period between the second Sunday in March and the first Sunday in April and for the period between the last Sunday in October and the first Sunday in November.

**Off-Peak Hours**

All hours other than On-Peak.

**West Side Gas Market Index**

The monthly indexed gas price shall be the average of the price indexes published by Platts in "Inside FERC's Gas Market Report" monthly price report for Northwest Pipeline Corp. Rock Mountains, Northwest Pipeline Corp. Canadian Border, and Rockies/Northwest Stanfield, OR.

**Excess Output**

Excess output shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Nameplate Capacity. PacifiCorp shall pay Seller the Off-peak Price as described and calculated under pricing option 5 for all Excess Output.

(continued)

**Same Site**

Generating facilities are considered to be located at the same site as the QF for which qualification for the standard rates and standard contract is sought if they are located within a five-mile radius of any generating facilities or equipment providing fuel or motive force associated with the QF for which qualification for the standard rates and standard contract is sought.

**Person(s) or Affiliated Person(s)**

A natural person or persons or any legal entity or entities sharing common ownership, management or acting jointly or in concert with or exercising influence over the policies or actions of another person or entity. Two facilities will not be held to be owned or controlled by the same person(s) or affiliated person(s) solely because they are developed by a single entity. Two facilities will not be held to be owned or controlled by the same person(s) or affiliated person(s) if such common person or persons is a "passive investor" whose ownership interest in the QF is primarily related to utilizing production tax credits, green tag values and MACRS depreciation as the primary ownership benefit. A unit of Oregon local government may also be a "passive investor" if the local governmental unit demonstrates that it will not have an equity ownership interest in or exercise any control over the management of the QF and that its only interest is a share of the cash flow from the QF, which share will not exceed 20%. The 20% cash flow share limit may only be exceeded for good cause shown and only with the prior approval of the Commission.

**Shared Interconnection and Infrastructure**

QFs otherwise meeting the separate ownership test and thereby qualified for entitlement to the standard rates and standard contract will not be disqualified by utilizing an interconnection or other infrastructure not providing motive force or fuel that is shared with other QFs qualifying for the standard rates and standard contract so long as the use of the shared interconnection complies with the interconnecting utility's safety and reliability standards, interconnection contract requirements and Prudent Electrical Practices as that term is defined in the interconnecting utility's approved standard contract.

**Dispute Resolution**

Upon request, the QF will provide the purchasing utility with documentation verifying the ownership, management and financial structure of the QF in reasonably sufficient detail to allow the utility to make an initial determination of whether or not the QF meets the above-described criteria for entitlement to the standard rates and standard contract. Any dispute concerning a QF's entitlement to the standard rates and standard contract shall be presented to the Commission for resolution.

**Self Supply Option**

Owner shall elect to sell all Net Output to PacifiCorp and purchase its full electric requirements from PacifiCorp or sell Net Output surplus to its needs at the Facility site to PacifiCorp and purchase partial electric requirements service from PacifiCorp, in accordance with the terms and conditions of the power purchase agreement and the appropriate retail service.

(continued)

**Pricing Options****1. Fixed Avoided Cost Prices**

Prices are fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Fixed Avoided Cost Prices are available for a contract term of up to 15 years and prices under a longer term contract (up to 20 years) will thereafter be under either the Firm Market Indexed, the Banded Gas Market Indexed or the Gas Market Indexed Avoided Cost pricing option.

**2. Gas Market Indexed Avoided Cost Prices**

Fixed prices apply during the resource sufficiency period (2012 through 2015), thereafter a portion of avoided cost prices are indexed to actual monthly West Side Gas Market Index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Prices are available for a term of up to 20 years.

**3. Banded Gas Market Indexed Avoided Cost Prices**

Fixed prices apply during the resource sufficiency period (2012 through 2015), thereafter a portion of avoided cost prices are indexed to actual monthly West Side Gas Market Index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. The gas indexed portion of the avoided cost prices are banded to limit the amount that prices can vary with changes in gas prices. Prices are available for a term of up to 20 years.

**4. Firm Market Indexed Avoided Cost Prices**

Firm market index avoided cost prices are available to Qualifying Facilities that contract to deliver firm power. Monthly on-peak / off-peak prices paid are a blending of Intercontinental Exchange (ICE) Day Ahead Power Price Report at market hubs for on-peak and off-peak prices. The monthly blending matrix is available upon request.

**5. Non-firm Market Index Avoided Cost Prices**

Non- Firm market index avoided cost prices are available to Qualifying Facilities that do not elect to provide firm power. Qualifying Facilities taking this option will have contracts that do not include minimum delivery requirements, default damages for construction delay, for under delivery or early termination, or default security for these purposes. Monthly On-Peak / Off-Peak prices paid are a blending of ICE Day Ahead Power Price Report at market hubs for on-peak and off-peak prices. The monthly blending matrix is available upon request.

(continued)

---

**Monthly Payments**

A Qualifying Facility shall select the option of payment at the time of signing the contract under one of three Pricing Options as specified above. Once an option is selected the option will remain in effect for the duration of the Facility's contract.

**Fixed Avoided Cost Prices**

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the fixed prices as provided in this tariff. The definition of On-Peak and Off-Peak is as defined in the definitions section of this tariff.

**Gas Market Indexed Avoided Cost Prices**

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the West Side Gas Market Index price in \$/MMBtu by 0.696 to get actual gas price in cents/kWh. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

**Banded Gas Indexed Avoided Cost Prices**

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the West Side Gas Market Index price in \$/MMBtu by 0.696 to get actual gas price in cents/kWh. This price is banded such that the actual gas price shall be no lower than the Gas Market Index Floor nor greater than the Gas Market Index Ceiling as listed in the price section of this tariff. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

**Firm Market Indexed and Non-firm Market Index Avoided Cost Prices**

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the market prices calculated at the time of delivery. The definition of On-Peak and Off-Peak is as defined in the definitions section of this tariff.

(continued)

**AVOIDED COST PURCHASES FROM  
 QUALIFYING FACILITIES OF 10,000 KW OR LESS**
**Avoided Cost Prices**
**Pricing Option 1 – Fixed Avoided cost Prices ¢/kWh**

Deliveries During Calendar Year	On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)
2012	3.09	2.32
2013	3.72	2.62
2014	4.13	2.80
2015	4.39	2.99
2016	6.04	3.69
2017	6.32	3.91
2018	6.66	4.21
2019	6.99	4.50
2020	6.94	4.41
2021	7.23	4.65
2022	7.67	5.04
2023	7.92	5.24
2024	7.89	5.16
2025	8.09	5.32
2026	8.39	5.57
2027	8.66	5.78
2028	8.88	5.95
2029	9.07	6.09
2030	9.20	6.16

(continued)

**AVOIDED COST PURCHASES FROM  
QUALIFYING FACILITIES OF 10,000 KW OR LESS**
**Avoided Cost Prices (Continued)**
**Pricing Option 2 – Gas Market Indexed Avoided Cost Prices ¢/kWh**

Deliveries During Calendar Year	Fixed Prices		Gas Market Index		Forecast West Side Gas Market Index Price (2)	Estimated Prices (3)	
	On-Peak	Off-Peak	On-Peak	Off-Peak		On-Peak	Off-Peak
	Energy	Energy	Capacity	Energy	\$/MMBtu	Energy	Energy
	Price	Price	Adder (1)	Adder		Price	Price
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
			Avoided Firm Capacity Costs / (0.876 * 88.6% * 57%)	Total Avoided Energy Costs - ((e) * 0.696)		(g) + (c)	((e) * 0.696) + (d)
2012	3.09	2.32					
2013	3.72	2.62					
2014	4.13	2.80					
2015	4.39	2.99					
2016			2.36	0.44	\$4.66	6.042	3.685
2017			2.40	0.47	\$4.95	6.316	3.914
2018			2.45	0.47	\$5.38	6.660	4.212
2019			2.49	0.47	\$5.79	6.988	4.496
2020			2.53	0.47	\$5.66	6.943	4.409
2021			2.58	0.48	\$5.98	7.225	4.645
2022			2.63	0.50	\$6.53	7.667	5.041
2023			2.67	0.52	\$6.78	7.916	5.242
2024			2.72	0.53	\$6.66	7.885	5.163
2025			2.77	0.54	\$6.87	8.093	5.322
2026			2.82	0.55	\$7.21	8.385	5.565
2027			2.87	0.57	\$7.49	8.655	5.781
2028			2.93	0.60	\$7.69	8.877	5.948
2029			2.98	0.62	\$7.85	9.070	6.086
2030			3.04	0.64	\$7.92	9.197	6.156
2031			3.10	0.64	\$8.06	9.348	6.246
2032			3.16	0.65	\$8.21	9.526	6.365
2033			3.22	0.66	\$8.37	9.705	6.484
2034			3.29	0.68	\$8.53	9.902	6.616

- (1) Avoided Firm Capacity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2011 IRP.
- (2) A heat rate of 0.696 is used to adjust gas prices from \$/MMBtu to ¢/kWh
- (3) Estimated avoided cost prices based upon forecast West Side Gas Market Index prices.  
Actual prices will be calculated each month using actual index gas prices.

(continued)

**AVOIDED COST PURCHASES FROM  
 QUALIFYING FACILITIES OF 10,000 KW OR LESS**
**Avoided Cost Prices (Continued)**
**Pricing Option 3 – Banded Gas Market Indexed Avoided Cost Prices ¢/kWh**

Deliveries During Calendar Year	Fixed Prices		Banded Gas Market Index				Forecast West Side Gas Market Index Price (2) \$/MMBtu (g)	Estimated Prices (3)	
	On-Peak	Off-Peak	On-Peak	Off-Peak	Gas Market Index			On-Peak	Off-Peak
	Energy	Energy	Capacity	Energy	Floor	Ceiling		Energy	Energy
	Price	Price	Adder (1)	Adder	90%	110%		Price	Price
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
			Avoided Firm Capacity Costs / (0.876 * 88.6% * 57%)	Total Avoided Energy Costs - ((e) * 0.696)	(g) * 0.696 * 90%	(g) * 0.696 * 110%		(i) + (c)	MIN(MAX((g) * 0.696), (e)), (f) + (d))
2012	3.09	2.32							
2013	3.72	2.62							
2014	4.13	2.80							
2015	4.39	2.99							
					Market Based Prices 2010 through 2013				
2016			2.36	0.44	2.92	3.57	\$4.66	6.04	3.69
2017			2.40	0.47	3.10	3.79	\$4.95	6.32	3.91
2018			2.45	0.47	3.37	4.12	\$5.38	6.66	4.21
2019			2.49	0.47	3.63	4.43	\$5.79	6.99	4.50
2020			2.53	0.47	3.55	4.33	\$5.66	6.94	4.41
2021			2.58	0.48	3.75	4.58	\$5.98	7.23	4.65
2022			2.63	0.50	4.09	5.00	\$6.53	7.67	5.04
2023			2.67	0.52	4.25	5.19	\$6.78	7.92	5.24
2024			2.72	0.53	4.17	5.10	\$6.66	7.89	5.16
2025			2.77	0.54	4.30	5.26	\$6.87	8.09	5.32
2026			2.82	0.55	4.52	5.52	\$7.21	8.39	5.57
2027			2.87	0.57	4.69	5.73	\$7.49	8.66	5.78
2028			2.93	0.60	4.82	5.89	\$7.69	8.88	5.95
2029			2.98	0.62	4.92	6.01	\$7.85	9.07	6.09
2030			3.04	0.64	4.96	6.06	\$7.92	9.20	6.16
2031			3.10	0.64	5.05	6.17	\$8.06	9.35	6.25
2032			3.16	0.65	5.14	6.29	\$8.21	9.53	6.37
2033			3.22	0.66	5.24	6.41	\$8.37	9.71	6.48
2034			3.29	0.68	5.34	6.53	\$8.53	9.90	6.62

- (1) Avoided Firm Capacity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2011 IRP.  
 (2) A heat rate of 0.696 is used to adjust gas prices from \$/MMBtu to ¢/kWh  
 (3) Estimated avoided cost prices based upon forecast West Side Gas Market Index prices.  
 Actual prices will be calculated each month using actual index gas prices.

(continued)

---

**Example of Gas Pricing Options available to the Qualifying Facility**

An example of the two gas pricing options using different assumed gas prices is provided at the end of this tariff.

**Qualifying Facilities Contracting Procedure**

Interconnection and power purchase agreements are handled by different functions within the Company. Interconnection agreements (both transmission and distribution level voltages) are handled by the Company's transmission function (PacifiCorp Transmission Services) while power purchase agreements are handled by the Company's merchant function (PacifiCorp Commercial and Trading).

It is recommended that the owner initiate its request for interconnection 18 months ahead of the anticipated in-service date to allow time for studies, negotiation of agreements, engineering, procurement, and construction of the required interconnection facilities. Early application for interconnection will help ensure that necessary interconnection arrangements proceed in a timely manner on a parallel track with negotiation of the power purchase agreement.

**1. Qualifying Facilities up to 10,000 kW**

**APPLICATION:** To owners of existing or proposed QFs with a design capacity less than or equal to 10,000 kW who desire to make sales to the Company in the state of Oregon. Such owners will be required to enter into a written power purchase agreement with the Company pursuant to the procedures set forth below.

**I. Process for Completing a Power Purchase Agreement**

**A. Communications**

Unless otherwise directed by the Company, all communications to the Company regarding QF power purchase agreements should be directed in writing as follows:

PacifiCorp  
Manager-QF Contracts  
825 NE Multnomah St, Suite 600  
Portland, Oregon 97232

The Company will respond to all such communications in a timely manner. If the Company is unable to respond on the basis of incomplete or missing information from the QF owner, the Company shall indicate what additional information is required. Thereafter, the Company will respond in a timely manner following receipt of all required information.

(continued)

**B. Procedures**

1. The Company's approved generic or standard form power purchase agreements may be obtained from the Company's website at [www.pacificorp.com](http://www.pacificorp.com), or if the owner is unable to obtain it from the website, the Company will send a copy within seven days of a written request.
  
2. In order to obtain a project specific draft power purchase agreement the owner must provide in writing to the Company, general project information required for the completion of a power purchase agreement, including, but not limited to:
  - (a) demonstration of ability to obtain QF status;
  - (b) design capacity (MW), station service requirements, and net amount of power to be delivered to the Company's electric system;
  - (c) generation technology and other related technology applicable to the site;
  - (d) proposed site location;
  - (e) schedule of monthly power deliveries;
  - (f) calculation or determination of minimum and maximum annual deliveries;
  - (g) motive force or fuel plan;
  - (h) proposed on-line date and other significant dates required to complete the milestones;
  - (i) proposed contract term and pricing provisions (i.e., fixed, deadband, gas indexed);
  - (j) status of interconnection or transmission arrangements;
  - (k) point of delivery or interconnection;
  
3. The Company shall provide a draft power purchase agreement when all information described in Paragraph 2 above has been received in writing from the QF owner. Within 15 business days following receipt of all information required in Paragraph 2, the Company will provide the owner with a draft power purchase agreement including current standard avoided cost prices and/or other optional pricing mechanisms as approved by the Oregon Public Utilities Commission in this Schedule 37.
  
4. If the owner desires to proceed with the power purchase agreement after reviewing the Company's draft power purchase agreement, it may request in writing that the Company prepare a final draft power purchase agreement. In connection with such request, the owner must provide the Company with any additional or clarified project information that the Company reasonably determines to be necessary for the preparation of a final draft power purchase agreement. Within 15 business days following receipt of all information requested by the Company in this paragraph 4, the Company will provide the owner with a final draft power purchase agreement.

(continued)

**B. Procedures (continued)**

- 5 After reviewing the final draft power purchase agreement, the owner may either prepare another set of written comments and proposals or approve the final draft power purchase agreement. If the owner prepares written comments and proposals the Company will respond in 15 business days to those comments and proposals.
  
6. When both parties are in full agreement as to all terms and conditions of the draft power purchase agreement, the Company will prepare and forward to the owner within 15 business days, a final executable version of the agreement. Following the Company's execution a completely executed copy will be returned to the owner. Prices and other terms and conditions in the power purchase agreement will not be final and binding until the power purchase agreement has been executed by both parties.

**II. Process for Negotiating Interconnection Agreements**

[NOTE: Section II applies only to QFs connecting directly to PacifiCorp's electrical system. An off-system QF should contact its local utility or transmission provider to determine the interconnection requirements and wheeling arrangement necessary to move the power to PacifiCorp's system.]

In addition to negotiating a power purchase agreement, QFs intending to make sales to the Company are also required to enter into an interconnection agreement that governs the physical interconnection of the project to the Company's transmission or distribution system. The Company's obligation to make purchases from a QF is conditioned upon the QF completing all necessary interconnection arrangements. It is recommended that the owner initiate its request for interconnection 18 months ahead of the anticipated in-service date to help ensure that necessary interconnection arrangements proceed in a timely manner on a parallel track with negotiation of the power purchase agreement.

Because of functional separation requirements mandated by the Federal Energy Regulatory Commission, interconnection and power purchase agreements are handled by different functions within the Company. Interconnection agreements (both transmission and distribution level voltages) are handled by the Company's transmission function (including but not limited to PacifiCorp Transmission Services) while power purchase agreements are handled by the Company's merchant function (including but not limited to PacifiCorp's Commercial and Trading Group).

(continued)

**II. Process for Negotiating Interconnection Agreements (continued)**

**A. Communications**

Initial communications regarding interconnection agreements should be directed to the Company in writing as follows:

PacifiCorp  
Director – Transmission Services  
825 NE Multnomah St, Suite 1600  
Portland, Oregon 97232

Based on the project size and other characteristics, the Company will direct the QF owner to the appropriate individual within the Company's transmission function who will be responsible for negotiating the interconnection agreement with the QF owner. Thereafter, the QF owner should direct all communications regarding interconnection agreements to the designated individual, with a copy of any written communications to the address set forth above.

**B. Procedures**

Generally, the interconnection process involves (1) initiating a request for interconnection, (2) undertaking studies to determine the system impacts associated with the interconnection and the design, cost, and schedules for constructing any necessary interconnection facilities, and (3) executing an interconnection agreement to address facility construction, testing, acceptance, ownership, operation and maintenance issues. Consistent with PURPA and Oregon Public Utility Commission regulations, the owner is responsible for all interconnection costs assessed by the Company on a nondiscriminatory basis. For interconnections impacting the Company's Transmission and Distribution System, the Company will process the interconnection application through PacifiCorp Transmission Services.

(continued)

**AVOIDED COST PURCHASES FROM  
QUALIFYING FACILITIES OF 10,000 KW OR LESS**
**Example of Gas Pricing Options given Assumed Gas Prices ¢/kWh**

Banded Gas Market Index												
Year	Prices Listed in the Tariff				Example using assumed Gas Prices						Compared to Fixed Prices	
	On-Peak Capacity Adder	Off-Peak Energy Adder	Gas Market Index		Assumed Gas Price \$/MMBtu	Actual Energy Price	Fuel Index		Price Paid to QF		Off-Peak Price	On-Peak Price
			Floor 90%	Ceiling 110%			Floor / Ceiling Component	Type of Price	Off-Peak Price	On-Peak Price		
(a)	(b)	(c)		(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
						(e) x 0.696			(b) + (g)	(a) + (i)		
2016	2.36	0.44	2.92	3.57	\$2.00	1.39	2.92	Floor	3.36	5.72	3.69	6.04
					\$4.00	2.78	2.92	Floor	3.36	5.72		
					\$5.00	3.48	3.48	Actual	3.92	6.28		
					\$7.00	4.87	3.57	Ceiling	4.01	6.37		
					\$10.00	6.96	3.57	Ceiling	4.01	6.37		

Gas Market Method												
Year	Prices Listed in the Tariff				Example using assumed Gas Prices						Compared to Fixed Prices	
	On-Peak Capacity Adder	Off-Peak Energy Adder	Fuel Index		Assumed Gas Price \$/MMBtu	Actual Energy Price	Fuel Index		Price Paid to QF		Off-Peak Price	On-Peak Price
			Floor 90%	Ceiling 110%			Floor / Ceiling Component	Type of Price	Off-Peak Price	On-Peak Price		
(a)	(b)	(c)		(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
						(e) x 0.696			(b) + (i)	(a) + (j)		
2016	2.36	0.44	Not Relevant		\$2.00	1.39			1.83	4.19	3.69	6.04
					\$4.00	2.78			3.22	5.58		
					\$5.00	3.48	Not Relevant		3.92	6.28		
					\$7.00	4.87			5.31	7.67		
					\$10.00	6.96			7.40	9.76		

**ADDENDUM A**  
**Jury Trial Waiver**

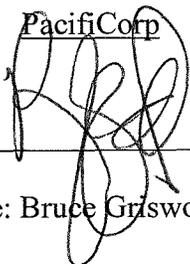
PacifiCorp and Norwest Energy 12, LLC are parties to that certain Power Purchase Agreement executed the date last written below (the "PPA"). This Addendum A to the PPA is entered into by and between PacifiCorp and Norwest Energy 12, LLC and is intended to be interpreted and applied to the PPA.

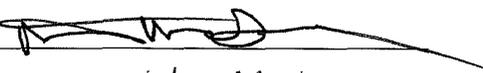
*Whereas*, the Parties for their respective business purposes have an interest in not presenting a dispute to a jury for trial should a dispute arise between the Parties;

NOW, THEREFORE, for independent consideration, the receipt and sufficiency of which is acknowledged by both Parties, the Parties do hereby declare and agree as follows:

TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

This Addendum A to the PPA is executed and made effective this 29<sup>th</sup> day of May, 2015.

PacifiCorp  
By:   
Name: Bruce Griswold  
Title: Director, Short-Term Origination  
and QF Contracts

Norwest Energy 12, LLC  
By:   
Name: Matt McGovern  
Title: President