



**CITY OF CORNING
CITY COUNCIL AGENDA
TUESDAY, NOVEMBER 25, 2014
CITY COUNCIL CHAMBERS
794 THIRD STREET**

The City of Corning welcomes you to our meetings, which are regularly scheduled for the second and fourth Tuesdays of each month. Your participation and interest is encouraged and appreciated.

In compliance with the Americans with Disabilities Act, the City of Corning will make available to members of the public any special assistance necessary to participate in this meeting. The public should contact the City Clerk's office (530/824-7033) to make such a request. Notification at least 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

This is an Equal Opportunity Program. Discrimination is prohibited by Federal Law. Complaints of discrimination may be filed with the Secretary of Agriculture, Washington, D.C. 20250.

A. CALL TO ORDER: 7:30 p.m.

B. ROLL CALL:

Council:

**Darlene Dickison
Dave Linnet
Tony Cardenas
Willie Smith
Gary Strack**

Mayor:

C. PLEDGE OF ALLEGIANCE: Led by the City Manager.

D. INVOCATION: Led by City Council Member Tony Cardenas.

Persons of no religious persuasion will not be expected in any manner to stand or to participate other than to remain quiet out of respect for those who do choose to participate.

E. PROCLAMATIONS, RECOGNITIONS, APPOINTMENTS, PRESENTATIONS:

F. BUSINESS FROM THE FLOOR:

G. CONSENT AGENDA: It is recommended that items listed on the Consent Agenda be acted on simultaneously unless a Councilmember or members of the audience requests separate discussion and/or action.

- 1. Waive reading, except by title, of any Ordinance under consideration at this meeting for either introduction or passage, per Government Code Section 36934.**
- 2. Waive the reading and approve the Minutes of the November 11, 2014 City Council Meeting with any necessary corrections:**
- 3. November 19, 2014 Claim Warrant - \$342,298.39.**
- 4. November 19, 2014 Business License Report.**
- 5. Approve cancellation of the December 23, 2014 City Council Meeting due to the Christmas Holidays.**

H. ITEMS REMOVED FROM THE CONSENT AGENDA:

I. PUBLIC HEARINGS AND MEETINGS:

I. REGULAR AGENDA:

6. Approve Solar Power Purchase Agreement with Fresh Air Energy XXVII LLC and authorize the Mayor or City Manager to sign the Power Purchase Agreement with Fresh Air XXVI LLC.
7. Consider Ordinance No. 657 amending the City Council Meetings start time.
8. Authorize Fire Chief to seek an Assistance to Firefighters Grant to purchase a Breathing Apparatus Cylinder Charging Station.

K. ITEMS PLACED ON THE AGENDA FROM THE FLOOR:

L. COMMUNICATIONS, CORRESPONDENCE AND INFORMATION: None.

M. REPORTS FROM MAYOR AND COUNCIL MEMBERS: City Councilmembers will report on attendance at conferences/meetings reimbursed at City expense (Requirement of Assembly Bill 1234).

Dickison:

Linnet:

Cardenas:

Smith:

Strack:

N. ADJOURNMENT!:

POSTED: FRIDAY, NOVEMBER 21, 2014



**CITY OF CORNING
CITY COUNCIL MINUTES
TUESDAY, NOVEMBER 11, 2014
CITY COUNCIL CHAMBERS
794 THIRD STREET**

This is an Equal Opportunity Program. Discrimination is prohibited by Federal Law. Complaints of discrimination may be filed with the Secretary of Agriculture, Washington, D.C. 20250.

A. CALL TO ORDER: 7:30 p.m.

B. ROLL CALL:

Council:

Darlene Dickison

Dave Linnet

Tony Cardenas

Willie Smith

Mayor:

Gary Strack

All members of the City Council were present.

C. PLEDGE OF ALLEGIANCE: Led by the City Manager.

D. INVOCATION: Led by Mayor Gary Strack.

E. PROCLAMATIONS, RECOGNITIONS, APPOINTMENTS, PRESENTATIONS: None

F. BUSINESS FROM THE FLOOR: None.

G. CONSENT AGENDA:

1. Waive reading, except by title, of any Ordinance under consideration at this meeting for either introduction or passage, per Government Code Section 36934.
2. Waive the reading and approve the Minutes of the October 28, 2014 City Council Closed Session and Regular Meeting with any necessary corrections.
3. November 5, 2014 Claim Warrant - \$432,818.36.
4. November 5, 2014 Business License Report.
5. October 2014 Wages and Salaries: \$493,930.78.
6. October 2014 Treasurer's Report.
7. October 2014 Building Permit Valuation Report: \$393,841.

8. Accept the October 2014 City of Corning Wastewater Operation Summary Report.

Councilor Dickison moved to approve Consent Items 1-8; Councilor Smith seconded the motion.

Ayes: Strack, Dickison, Linnet, Cardenas and Smith. Opposed/Absent/Abstain: None. Motion was approved by a 5-0 vote.

H. ITEMS REMOVED FROM THE CONSENT AGENDA: None.

I. PUBLIC HEARINGS AND MEETINGS: None.

J. REGULAR AGENDA:

9. Approve Contract Change Order No. 2 decreasing Project costs by \$300 for a total contract cost of \$253,248.11; accept Notice of Completion; and authorize the release of \$12,662.41 in retention funds to Abel Construction for the 2014 Street Paving Project.

Following a brief explanation of this item, Councilor Cardenas moved to: Approve Contract Change Order #2 decreasing the contract amount by \$300 for a contract total of \$253,248.11; accept the Notice of Completion; and release the retention held in the amount of \$12,662.41 after the required 35-day waiting period. Councilor Linnet seconded the motion. **Ayes: Strack, Dickison, Linnet, Cardenas and Smith. Opposed/Absent/Abstain: None. Motion was approved by a 5-0 vote.**

10. Approve Partial Payment Estimate No. 4 for the Corning Community Park Phase 2 Project in the amount of \$186,775.39 to Trent Construction.

Mayor Strack asked if Staff had confirmed a dedication date. City Manager John Brewer stated that the playground equipment will not be installed until mid December and City Engineer Ed Anderson suggested that a public dedication not be held until after the Notice of Completion has been accepted.

Councilor Dickison then moved to approve Partial Payment Estimate No. 4 in the amount of \$186,775.39; retain the 5% Contract Retention of \$9,338.77; and issue payment in the amount of \$177,436.62 to Trent Construction for the Corning Community Park Project, Phase 2. Councilor Smith seconded the motion. **Ayes: Strack, Dickison, Linnet, Cardenas and Smith. Opposed/Absent/Abstain: None. Motion was approved by a 5-0 vote.**

11. Approve Budget Amendment increasing expenditures to reflect additional Local Transportation Fund (LTF) and Regional Surface Transportation Program (RSTP) fund allotments and 2014 Paving Project.

City Manager Brewer explained that upon receipt of the LTF and RSTP funds from the County the City established a revenue account, but not an expenditure account. Staff now requests approval of an amendment authorizing the establishment of this necessary expenditure account.

Councilor Smith moved that the City Council make the following 2014-2015 Budget Amendments:

- Amend Budget Expenditure Line Item 108-9285-3001 (Marin Street Repaving) from \$52,000 to \$75,000; and
- Amend Budget Expenditure Line Item 114-9428-3001 (West Street Repaving) from \$30,000 to \$77,500.

Councilor Dickison seconded the motion. **Ayes: Strack, Dickison, Linnet, Cardenas and Smith. Opposed/Absent/Abstain: None. Motion was approved by a 5-0 vote.**

12. Adopt Resolution No. 11-11-2014-01 approving the establishment of a 4-Way Stop intersection at Houghton Avenue and Fig Lane.

Following a brief introduction and discussion, Councilor Linnet moved to adopt Resolution No. 11-11-2014-01, a Resolution creating a Four-Way Stop at the intersection of Houghton Avenue and Fig Lane. Councilor Cardenas seconded the motion. **Ayes: Strack, Dickison, Linnet, Cardenas and Smith. Opposed/Absent/Abstain: None. Motion was approved by a 5-0 vote.**

K. ITEMS PLACED ON THE AGENDA FROM THE FLOOR: None

L. COMMUNICATIONS, CORRESPONDENCE AND INFORMATION: None.

M. REPORTS FROM MAYOR AND COUNCIL MEMBERS:

Dickison: On October 30th she and Mayor Strack attended the Public Transit Needs Meeting and announced that the LAFCO meeting has been cancelled due to a lack of agenda.

Linnet: Graffiti has been light however there are locations under the bridges on Toomes & Houghton that he is now working on and is looking for volunteers to assist.

Cardenas: Reported on the Nov. 7th Promise Neighborhood Meeting that he and Chief Atkins attended, the Chamber of Commerce meeting tonight announcing that December 6th will be Hometown Christmas (this year they will have no vendors); and Lucero Olive Oil's Winter Crush is also on December 6th. January 24th is the Chamber's Installation Dinner. Theater "Work Day" was Monday, November 10th, City Manager Brewer, Building Official Terry Hoofard and Assistant Public Works Director Steve Lindeman participated and the Mayor also stopped by.

Smith: Reported on the special Senior Center Board Meeting held to discuss seeking grants to sustain the Center for next year. She announced the City has a new Miss Corning, Cheyanne Boles, who was crowned Saturday evening and reported on her participation in the Veteran's Day Parade.

Strack: Confirmed City leaf pick-up will begin at the end of November; congratulated Council incumbent's elected to new term; and suggested moving up the meeting times to possibly 7:00 p.m.

N. ADJOURNMENT!: 7:45 p.m.

Lisa M. Linnet, City Clerk



MEMORANDUM

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: LORI SIMS
ACCOUNTING TECHNICIAN

DATE: November 19, 2014

SUBJECT: Cash Disbursement Detail Report for the
Tuesday, November 25, 2014 Council Meeting

PROPOSED CASH DISBURSEMENTS FOR YOUR APPROVAL CONSIST OF THE FOLLOWING:

A.	Cash Disbursements	Ending 11-18-14	\$ 303,276.19
B.	Payroll Disbursements	Ending 11-12-14	\$ 37,722.51
C.	Cash Disbursements	Ending 11-19-14	\$ 1,299.69
GRAND TOTAL			<u>\$ 342,298.39</u>

REPORT.: Nov 18 14 Tuesday
 RUN....: Nov 18 14 Time: 12:40
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 11-14 Bank Account.: 1020

PAGE: 001
 ID #: PY-DP
 CTL.: COR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Description
019063	11/11/14	USA01	USA BLUE BOOK	-494.90	.00	-494.90	429421u	Ck# 019063 Reversed
019394	11/06/14	WAL07	WALKER, PATRICK	213.82	.00	213.82	14-1105	MAT & SUPPLIES-BLD MAINT
019395	11/06/14	TEH03	TEHAMA COUNTY E.A.C.	30.00	.00	30.00	11-04-201	ASSOC DUES-CITY ADMIN
019396	11/07/14	ATT02	AT&T	1146.26	.00	1146.26	141025	COMMUNICATIONS-
019397	11/07/14	HER02	HERNANDEZ, AGUSTIN	156.78	.00	156.78	141104	TRAINING/ED-DISPATCH
019398	11/07/14	NOR03	NCCSIF	14068.50	.00	14068.50	2015030	LIABILITY INS-GEN CITY
				9413.00	.00	9413.00	2015050	WORKMENS COMP-GEN CITY
			Check Total.....	23481.50	.00	23481.50		
019399	11/07/14	BRA03	BRASIER, DEL	53.73	.00	53.73	14-1107	PANTS REIMBURSEMENT-PW AD
019400	11/11/14	USA01	USA BLUE BOOK	494.90	.00	494.90	429421A	MAT & SUPPLIES-WTR
019401	11/12/14	TRE00	TRENT CONSTRUCTION INC.	177436.62	.00	177436.62	14-1112	PROP 84 PHASE 2-
019402	11/17/14	ACI01	ACI SPECIALTY BENEFITS	336.96	.00	336.96	16220	WORKMENS COMP-GEN CITY
019403	11/17/14	AIR00	AIRGAS USA, LLC	64.44	.00	64.44	992254321	MAT & SUPPLIES-FIRE
019404	11/17/14	ARA02	ARAMARK UNIFORM SERVICES	64.42	.00	64.42	3333111	MAT & SUPPLIES-BLD MAINT
				64.42	.00	64.42	3347420	MAT & SUPPLIES-BLD MAINT
				64.42	.00	64.42	3361978	MAT & SUPPLIES-BLD MAINT
				64.42	.00	64.42	3376243	MAT & SUPPLIES-BLD MAINT
			Check Total.....	257.68	.00	257.68		
019405	11/17/14	BAS01	BASIC LABORATORY, INC	126.00	.00	126.00	1410317	ProfServices Water Dept
				126.00	.00	126.00	1410606	ProfServices Water Dept
			Check Total.....	252.00	.00	252.00		
019406	11/17/14	BEN01	BENBOW, W.B.	4465.00	.00	4465.00	292	TELEMETRY-WTR IMPROV
019407	11/17/14	CAM02	FERGUSON ENTERPRISES INC.	988.01	.00	988.01	1040946	MAT & SUPPLIES-WTR
				460.09	.00	460.09	1041256	MAT & SUPPLIES-
			Check Total.....	1448.10	.00	1448.10		
019408	11/17/14	CAR12	CARREL'S OFFICE MACHINES	4.23	.00	4.23	129877	MAST & SUPPLIES-LIBRARY
019409	11/17/14	COM01	COMPUTER LOGISTICS, INC	837.43	.00	837.43	63881	COMPUTER REPLAC-POLICE
				768.72	.00	768.72	63885	COMP/EQUIP/SOFT-FIRE

REPORT.: Nov 18 14 Tuesday
 RUN....: Nov 18 14 Time: 12:40
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 11-14 Bank Account.: 1020

PAGE: 002
 ID #: PY-DP
 CTL.: COR

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
Check Total.....				1606.15	.00	1606.15		
019410	11/17/14	COR12	CORNING FORD MERCURY, INC	71.54	.00	71.54	15659	VEH OP/MAINT-
				104.77	.00	104.77	117728	VEH OP/MAINT-WTR
Check Total.....				176.31	.00	176.31		
019411	11/17/14	CRE02	CREDIT BUREAU ASSOCIATES	12.00	.00	12.00	4B01318	PROF SVCS-DISPATCH
019412	11/17/14	DEM03	DEMO, CHRIS	90.00	.00	90.00	14-1117	PANTS REIMBURSEMENT-PW AD
019413	11/17/14	DEP12	DEPT OF JUSTICE	273.00	.00	273.00	063479	PROF SVCS-POLICE
				70.00	.00	70.00	068199	PROF SVCS-POLICE
Check Total.....				343.00	.00	343.00		
019414	11/17/14	ENT02	ENTERPRISE-RECORD, MERCUR	740.64	.00	740.64	000819282	PRINTING/ADV-POLICE
019415	11/17/14	FAS02	FASTENAL COMPANY	8.27	.00	8.27	CAREB7910	MAT & SUPPLIES-
019416	11/17/14	FIR05	FIRST NATIONAL BANK OMAHA	229.20	.00	229.20	141029	MAT & SUPPLIES-
019417	11/17/14	FIR06	FIRST NATIONAL BANK OMAHA	360.00	.00	360.00	141029	TRAINING/ED-POLICE
019418	11/17/14	FIR07	FIRST NATIONAL BANK OMAHA	271.67	.00	271.67	141029	OFFICE SUPPLIES-
019419	11/17/14	GIN00	GINNO'S APPLIANCE CENTER	493.43	.00	493.43	279433	SMALL TOOLS-POLICE
019420	11/17/14	GOL03	GSFM / WFM	13572.05	.00	13572.05	I-042516	WTR METER REPLAC-WTR CAP
019421	11/17/14	GRA02	GRAINGER, W.W., INC	23.66	.00	23.66	958522949	MAT & SUPPLIES-
				475.15	.00	475.15	958567099	MAT & SUPPLIES-SWR
				79.35	.00	79.35	958673997	MAT & SUPPLIES-BLD MAINT
Check Total.....				578.16	.00	578.16		
019422	11/17/14	GRE01	GREEN WASTE OF TEHAMA	35.78	.00	35.78	4469	PROF SVCS-
019423	11/17/14	HOL04	HOLIDAY MARKET #32	44.76	.00	44.76	65321211	MAT & SUPPLIES-BLD MAINT
019424	11/17/14	HUN03	HUNTERS SERVICES INC.	1105.70	.00	1105.70	112981	TREE/PEST SPRAY-
				891.00	.00	891.00	113232	WEED SPRAY-
Check Total.....				1996.70	.00	1996.70		
019425	11/17/14	JAC02	JACOBUS, BOB	61.81	.00	61.81	110642164	SMALL TOOLS-
019426	11/17/14	KEL03	KELLER SUPPLY COMPANY	8.62	.00	8.62	S00799909	MAT & SUPPLIES-POOL

REPORT.: Nov 18 14 Tuesday
 RUN....: Nov 18 14 Time: 12:40
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 11-14 Bank Account.: 1020

PAGE: 003
 ID #: PY-DP
 CTL.: COR

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
019427	11/17/14	KNI00	KNIFE RIVER CONSTRUCTION	620.46	.00	620.46	153736	MAT & SUPPLIES-STR
019428	11/17/14	LEH03	LEHR AUTO ELECTRIC	7222.93	.00	7222.93	01 103895	VEH REPL PROGRAM-POLICE
019429	11/17/14	MAY01	MAY, WILLIAM L.	270.00	.00	270.00	11/14-110	EE RELATIONS-LEGAL
019430	11/17/14	MIR04	MIRACLE UPHOLSTERY & DRAP	250.00	.00	250.00	446390	VEH OP/MAINT-WTR
019431	11/17/14	MOR02	RAY MORGAN COMPANY	543.48	.00	543.48	772381	COMMUNICATIONS-
019432	11/17/14	MUR02	MURRISON PH.D., KITT	350.00	.00	350.00	CPD100	PROF SVCS-DISPATCH
019433	11/17/14	NOR45	NORLAB, INC.	110.00	.00	110.00	74022	MAT & SUPPLIES-WTR
019434	11/17/14	OFF01	OFFICE DEPOT	65.89	.00	65.89	738701632	OFFICE SUPPLIES-POLICE
				-65.89	.00	-65.89	738701632u	Ck# 019434 Reversed
				94.62	.00	94.62	738702035	OFFICE SUPPLIES-POLICE
				-94.62	.00	-94.62	738702035u	Ck# 019434 Reversed
			Check Total.....	.00	.00	.00		
019435	11/17/14	PGE01	PG&E	2230.32	.00	2230.32	141104	ELECT-CLARK PARK WELL
019436	11/17/14	QUI02	QUILL CORPORATION	17.39	.00	17.39	7704667	OFFICE SUPPLIES-
019437	11/17/14	TOW01	TOWNE CARPET	12700.00	.00	12700.00	254911	CITY HALL CARPET-
019438	11/17/14	TRI02	TRI-COUNTY NEWSPAPERS	78.82	.00	78.82	173950	Print/Advert. City Clerk
				87.62	.00	87.62	174661	Print/Advert. City Clerk
			Check Total.....	166.44	.00	166.44		
019439	11/17/14	UND02	UNDERWRITERS LABS INC.	2042.60	.00	2042.60	720200411	EQUIP MAINT-FIRE
019440	11/17/14	USA01	USA BLUE BOOK	872.19	.00	872.19	491201	MAT & SUPPLIES-WTR
019441	11/17/14	WES02	WESTERN BUSINESS PRODUCTS	44.99	.00	44.99	045506	EQUIP MAINT-FIRE DISPATCH
019442	11/18/14	ACC00	ACCESS INFORMATION MANAGE	114.32	.00	114.32	0805217	EQUIP MAINT-GEN CITY
019443	11/18/14	CAD00	CADORIN CONSTRUCTION, INC	3781.91	.00	3781.91	484C	HOUSING CONSTRUCT-REHAB
019444	11/18/14	EEL00	EEL RIVER FUELS, INC.	190.84	.00	190.84	343671	NATURAL GAS-ACO
019445	11/18/14	FAS02	FASTENAL COMPANY	412.74	.00	412.74	CAREB7917	MAT & SUPPLIES-SWR
019446	11/18/14	GRA02	GRAINGER, W.W., INC	15.81	.00	15.81	959254330	BLD MAINT-TRANS FAC
				10.66	.00	10.66	959384484	MAT & SUPPLIES-WTR

REPORT.: Nov 18 14 Tuesday
 RUN....: Nov 18 14 Time: 12:40
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 11-14 Bank Account.: 1020

PAGE: 004
 ID #: PY-DP
 CTL.: COR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
Check Total.....				26.47	.00	26.47		
019447	11/18/14	JOB01	JOB TRAINING CENTER	195.00	.00	195.00	14-1117	CONF/MTG-
019448	11/18/14	LEH03	LEHR AUTO ELECTRIC	179.72	.00	179.72	01 104363	VEH OP/MAINT-
019449	11/18/14	NAP02	NAPA VALLEY COLLEGE	330.00	.00	330.00	141117	TRAINING-POLICE
019450	11/18/14	OFF01	OFFICE DEPOT	65.89	.00	65.89	073870163	OFFICE SUPPLIES-POLICE
				28.73	.00	28.73	073870203	OFFICE SUPPLIES-POLICE
Check Total.....				94.62	.00	94.62		
019451	11/18/14	PGE01	PG&E	27421.37	.00	27421.37	141112	Electricity General City-
019452	11/18/14	SEV00	SEVERN TRENT ENVIRONMENTA	2811.00	.00	2811.00	2076179	PROF SVCS-WWTP
019453	11/18/14	SWR01	SWRCB/AFRS	6937.00	.00	6937.00	WD-010479	REQ PERMITS STATE-WTR
				2088.00	.00	2088.00	WD-010570	REQ PERMITS STATE-WTR
Check Total.....				9025.00	.00	9025.00		
019454	11/18/14	TAS00	TASER INTERNATIONAL, INC.	1276.73	.00	1276.73	SI1377684	SAFETY ITEMS-POLICE
Cash Account Total.....				303276.19	.00	303276.19		
Total Disbursements.....				303276.19	.00	303276.19		
Cash Account Total.....				.00	.00	.00		

REPORT.: Nov 18 14 Tuesday
 RUN....: Nov 18 14 Time: 12:40
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report - Payroll Vendor Payment(s)
 Check Listing for 11-14 Bank Account.: 1025

PAGE: 005
 ID #: PY-DP
 CTL.: COR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
6560	11/12/14	AME20	AMERICAN WEST BANK	1369.52	.00	1369.52	B41112	HSA DEDUCTIBLE
6561	11/12/14	BAN03	POLICE OFFICER ASSOC.	225.00	.00	225.00	B41112	POLICE OFFICER ASSOC
6562	11/12/14	CAL37	CALIFORNIA STATE DISBURSE	430.61	.00	430.61	B41112	WITHHOLDING ORDER
6563	11/12/14	EDD01	EMPLOYMENT DEVELOPMENT	3596.83	.00	3596.83	B41112	STATE INCOME TAX
				1107.28	.00	1107.28	1B41112	SDI
			Check Total.....	4704.11	.00	4704.11		
6564	11/12/14	ICM01	ICMA RETIREMENT TRUST-457	3645.97	.00	3645.97	B41112	ICMA DEF. COMP
				62.50	.00	62.50	1B41112	ICMA DEF. COMP ER PD
			Check Total.....	3708.47	.00	3708.47		
6565	11/12/14	PERS1	PUBLIC EMPLOYEES RETIRE	23017.87	.00	23017.87	B41112	PERS PAYROLL REMITTANCE
6566	11/12/14	PERS4	Cal Pers 457 Def. Comp	2116.33	.00	2116.33	B41112	PERS DEF. COMP.
				112.50	.00	112.50	1B41112	PERS DEF. COMP. ER P
			Check Total.....	2228.83	.00	2228.83		
6567	11/12/14	VAL06	VALIC	1963.10	.00	1963.10	B41112	AIG VALIC P TAX
				75.00	.00	75.00	1B41112	AIG VALIC P TAX ER P
			Check Total.....	2038.10	.00	2038.10		
			Cash Account Total.....	37722.51	.00	37722.51		
			Total Disbursements.....	37722.51	.00	37722.51		

REPORT.: Nov 19 14 Wednesday
 RUN....: Nov 19 14 Time: 15:12
 Run By.: LORI

CITY OF CORNING
 Cash Disbursement Detail Report
 Check Listing for 11-14 Bank Account.: 1020

PAGE: 001
 ID #: PY-DP
 CTL.: COR

Check Number	Check Date	Vendor Number	Vendor Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
019455	11/19/14	ATT13	AT&T	727.95	.00	727.95	141111	COMMUNICATIONS-DISPATCH
019456	11/19/14	CAL1A	CALKINS, LAURA	209.14	.00	209.14	141119	TRAINING/ED-POLICE
019457	11/19/14	COR05	CORNING AUTO CENTER	34.75	.00	34.75	16035	VEH OP/MAINT-
				34.75	.00	34.75	16037	VEH OP/MAINT-
				34.75	.00	34.75	16042	VEH OP/MAINT-
				34.75	.00	34.75	16046	VEH OP/MAINT-
				34.75	.00	34.75	16048	VEH OP/MAINT-
				34.75	.00	34.75	16055	VEH OP/MAINT-ACO
				34.75	.00	34.75	16056	VEH OP/MAINT-FIRE
			Check Total.....:	243.25	.00	243.25		
019458	11/19/14	NOR42	NORMAC	57.35	.00	57.35	612502	PROP 84 PARK-PROP 84 CONS
019459	11/19/14	STA03	SHAC	62.00	.00	62.00	141119	TRAINING/ED-ACO
			Cash Account Total.....:	1299.69	.00	1299.69		
			Total Disbursements.....:	1299.69	.00	1299.69		

Date.: Nov 19, 2014
Time.: 2:38 pm
Run by: LORI

CITY OF CORNING
NEW BUSINESSES FOR CITY COUNCIL

Page.: 1
List.: NEWB
Group: WTFMB

Business Name	Address	CITY/STATE/ZIP	Contact Name	Business Desc. #1	Business Start Date	Primary Teleph
FLORES ROOFING		GERBER, CA 96035	FLORES	FORTINO	11/12/14	(530) 385-1920
LINNETS TIRE II	1090 99W	CORNING, CA 96021	LANGENDERFER	JEREMY	11/14/14	(530) 824-5489
URBAN BOUTIQUE	1210 SOLANO ST UNUT #A	CORNING, CA 96021	CHAVARRIA	ERIKA	11/14/14	(916) 821-4845

**ITEM NO: G-5
APPROVE CANCELLATION OF THE
DECEMBER 23, 2014 CITY COUNCIL
MEETING DUE TO THE CHRISTMAS
HOLIDAY**

November 25, 2014

TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

FROM: JOHN L. BREWER, AICP; CITY MANAGER JLB
LISA M. LINNET, CITY CLERK LML

SUMMARY:

Staff seeks City Council approval to cancel the December 23, 2014 City Council Meeting due to the Christmas Holidays.

BACKGROUND:

City Hall is closed on December 25th and 26th for the Christmas Holidays. The City Council traditionally cancels the second regularly scheduled Council Meeting in December, which this year falls on December 23rd, due to the Holidays.

RECOMMENDATION:

MAYOR AND COUNCIL APPROVE CANCELLATION OF THE DECEMBER 23, 2014 REGULARLY SCHEDULED CITY COUNCIL MEETING DUE TO THE HOLIDAYS.

ITEM NO.: J-6

**PROPOSED SOLAR POWER
PURCHASE AGREEMENT WITH
FRESH AIR ENERGY XXVI LLC
AFFECTING POWER SUPPLY FOR
WASTEWATER TREATMENT PLANT
AND OTHER CITY FACILITIES**

NOVEMBER 25, 2014

TO: MAYOR AND CITYCOUNCILMEMBERS, CORNING CALIFORNIA

FROM: JOHN L. BREWER, AICP; CITY MANAGER 
PATRICK WALKER, PUBLIC WORKS DIRECTOR
JODY BURGESS, CITY ATTORNEY

SUMMARY:

Staff recommends the City Council consider the information that's to be presented regarding a proposed Solar Power Purchase Agreement (PPA), and then approve the attached PPA with Fresh Air Energy XXVI LLC.

Mr. Eric Paul of Ecoplexus, Inc., a Consulting Energy & Engineering firm based in San Francisco, will present the information, and provide a history of their relationship with the City of Corning. Fresh Air Energy XXVI LLC is a "Special Interest Entity" created by Ecoplexus, Inc. for the purposes of Power Purchase Agreements.

Staff believes energy cost savings in the magnitude of \$1.0 to 1.5 million over the course of a 20 year agreement is possible by installing solar arrays on vacant property at the Wastewater Treatment Plant (WWTP).

BACKGROUND:

Staff has been researching various solar energy options available to the City since about 2011. The purpose of course is to reap energy costs savings. Options we've investigated include simple land leases at the unused areas of the airport and the Wastewater Treatment Plant (WWTP) and a Solar Power Purchase Agreement (PPA). Because of changes to the California Energy Commission entitlement requirements, Staff has now concluded that a Solar Power Purchase Agreement would best fulfill the City's energy needs and provide considerable energy cost savings.

At staff's request, Ecoplexus has prepared and presented a PPA for the City's consideration. However, since PPA's can be confusing, we asked them to present a Powerpoint Presentation detailing just how they work. Mr. Eric Paul made that

presentation on October 28th. He will appear tonight to present specific details about the 20 year PPA they've proposed for the City of Corning. Note that the PPA offered for consideration is between the City of Corning and a "Special Interest Entity" created by Ecoplexus titled "Fresh Air Energy XXVI LLC". The PPA also includes a provision for a potential five year extension at the end of the 20 year term.

The proposal before you tonight is from Ecoplexus, Inc., a San Francisco firm. In addition to Ecoplexus, since 2009, the City has discussed the matter of solar power and PPA's and/or entertained informal proposals with other firms¹. The proposal includes a Narrative (34 pages) and the actual proposed Solar PPA (84 pages).

City Attorney Jody Burgess has reviewed and requested revisions to the actual PPA. The document before you tonight includes the proposed revisions.

POWER PURCHASE AGREEMENTS:

Staff was initially reluctant to recommend a Solar PPA. There were several reasons for that including confusing savings projections based on estimates of future energy cost increases, variable design criteria such as property needs, tracking vs. non-tracking equipment, equipment maintenance and duration, and the experience of the proposing firm. For those reasons it was difficult to gauge just what would be our best option for Solar PPA, and then recommend that for Council approval.

At about that time, (Feb. 2012) Mr. Bill Brick of Ecoplexus came to Corning. He advised of an alternative program whereby they would lease City property for the purpose of generating solar energy. That "lease arrangement" largely eliminated many of the uncertainties associated with PPA's in favor of a simple Land Lease that was easier to understand and quantify. Ecoplexus then sought and obtained "Options to Lease" property at the Airport and WWTP. Their plan was to erect solar arrays, generate power and sell that power to PG & E pursuant to a program titled "Re-MAT Feed-in Tariff. However, largely because interest in the program exceeded need, they were unable to get a project for either property entitled by the State Public Utilities Commission.

With that "Re-MAT Feed-in Tariff" program option off the table, staff began a dialogue with Ecoplexus about a PPA at the WWTP. We focused on Ecoplexus since they retained the Lease Option (remains active until April 2015). Working with them, we were able to craft a smaller solar project (less than 6 acres) that can generate energy savings for not only the WWTP, but also other City facilities.

¹ Including solar power providers "HeliPower", "Solar Power Partners" and "Enfinity".

Because the number of design variables is almost infinite, and since any cost savings are merely estimates at this juncture, it's impractical to solicit proposals from multiple solar providers, as we would for a Public Works construction project. In fact, there is an exemption to the competitive bid process for alternative energy projects provided in State Law (Government Code section 4217.16).

ESTIMATED COST SAVINGS AND FUND ALLOTMENTS:

Please refer to the "Pre and Post Solar Costs" spreadsheet at Page 24 of the proposal. In the first year, we may expect to save a total of \$53,260; \$10,810 or 20.3% at the WWTP and \$42,450 (79.7%) at other City facilities. Note that these are merely estimates at this time. The actual savings will be determined when the billing account statements arrive. Three separate spreadsheets showing various cost savings are included in the proposal at pages 24, 25, & 26. The variable on the sheets is the energy cost annual rate increase assumption. Savings to the City will naturally be greater if the PG & E cost/kWh increases and compounds at higher rates.

The cost savings appurtenant to the WWTP account must be applied to the Sewer Enterprise Fund. Similarly, energy cost savings applicable to the water wells must be applied to the Water Enterprise Fund. There will also be savings to General Fund facilities-like the Police and Fire Dept., and City Hall electricity bills. We'll need to sort out those details and assign savings to the appropriate funds when the electric utility bills and cost savings statements are provided.

RECOMMENDATION:

That the City Council:

- **APPROVE THE ATTACHED SOLAR POWER PURCHASE AGREEMENT WITH "FRESH AIR ENERGY XXVI LLC", AND,**
- **AUTHORIZE THE MAYOR OR CITY MANAGER TO SIGN THE POWER PURCHASE AGREEMENT WITH "FRESH AIR XXVI LLC".**



THE CITY OF CORNING, CA

SOLAR PHOTOVOLTAIC PROJECT PROPOSAL

June 12, 2014

ecoplexus

650 Townsend Street Suite 310
San Francisco, CA 94103

T 415 626 1802
F 415 449 3466

ecoplexus.com

TABLE OF CONTENTS

PAGE 3	COVER LETTER
PAGE 4	SECTION 1 – EXECUTIVE SUMMARY
PAGE 9	SECTION 2 – COMPANY QUALIFICATION
PAGE 15	SECTION 3 – TEAM MEMBER EXPERIENCE
PAGE 10	SECTION 4 – RES-BCT
PAGE 23	SECTION 5 – COST PROPOSAL AND FINANCIAL ANALYSIS
PAGE 29	SECTION 6 – GOVERNMENT CODE SECTION 4217
PAGE 30	SECTION 7 – PROPOSED CONSTRUCTION SCHEDULE
PAGE 32	SECTION 8 – OPERATIONS AND MAINTENANCE
ATTACHMENT A	TEMPLATE PPA

November 17, 2014

Mr. John Brewer
City of Corning
794 Third Street
Corning, CA 96021

Dear Mr. Brewer,

Ecoplexus is pleased to present this proposal to the City of Corning, CA for a Solar Photovoltaic Project at the City's Wastewater Treatment facility at 25010 Gardiner Ferry Rd., Corning, CA.

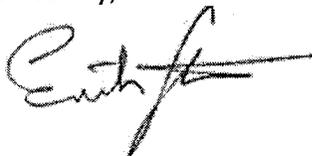
Ecoplexus has proven expertise in developing and operating large-scale turnkey solar PV systems. The company has completed more than 40 municipal, commercial, and utility projects over the last three years. Ecoplexus has demonstrated expertise in design, engineering, structured finance, land acquisition, project management and construction execution.

Attached, please find our formal Proposal. The information contained herein -- including exhibits, schedules, and other documents and instruments delivered to the City -- are true, accurate, and complete to the best of the our knowledge.

Ecoplexus will establish a special purpose entity, such as Fresh Air Energy – 4, wholly owned by Ecoplexus, Inc. to develop and finance the potential projects. Ecoplexus and its subcontractors agree to comply with all rules, regulations and other requirements of working with the City.

Our proposal to the City of Corning, CA is valid for 180 days from the date on this Transmittal Letter. Our primary contact information is below.

Sincerely,

A handwritten signature in black ink, appearing to read "Erik Stuebe". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Erik Stuebe, President
Ecoplexus, Inc.
650 Townsend St, Suite 310
San Francisco, CA 94103
(o) 415-626-1802

SECTION 1 – EXECUTIVE SUMMARY

Ecoplexus is pleased to submit this Proposal for the design, procurement of materials, installation, and all associated documentation, financing, maintenance and warranties for a 707 kWdc Solar PV Systems for the City of Corning, CA located at 25010 Gardiner Ferry Rd., Corning, California 96021. The PV system will offset a portion of all of the City's electrical meters through PG&E's Schedule for Local Government Renewable Energy Self-Generation Bill Credit Transfer (RES-BCT), which will be discussed and explained in greater detail later in our proposal.

The 707 kW solar system has the potential to save the City of Corning **\$1,915,734** over 20-years and **\$2,786,493** over 25-years assuming a 4% utility escalation rate, **\$1,655,827** over 20-years and **\$2,328,954** over 25-years assuming a 3.5% utility escalation rate, or **\$1,181,034** over 20-years and **\$1,514,683** over 25-years assuming a 2.5% utility escalation rate. And with a Power Purchase Agreement (PPA) the City will incur no upfront costs for the design, installation, and maintenance of the facility.

Ecoplexus' project management and development teams have extensive solar PV experience. The Company has developed and financed forty (40) commercial, municipal and utility-scale solar projects over the last three (3) years. Ecoplexus has extensive expertise in several project areas that differentiate the Company from competitors; these include complex project finance acumen, experience engineering solar facilities on unconventional sites such as water treatment plants and material recovery facilities, and designing solar facilities to use and optimize net- and virtual- / aggregated- / community-net metering arrangements.

Ecoplexus can provide the City of Corning with a turnkey package to implement virtual net metering via PG&E's RES BCT tariff. In addition to standard O&M services, we also provide ongoing virtual net metering management services to help the City determine which meters to designate as benefiting accounts. Some of the Ecoplexus founding team members have previously developed large billing engines and software for retail utilities, which translates into a core competency in this area.

The Company has applied its deep expertise in energy tariff optimization, structured finance and project engineering to identify the optimal site configurations and most economically attractive financial structure for the City of Corning. We explored all land and facilities owned by the City for net metering and virtual net metering opportunities. Many sites with significant load lacked adequate space for an onsite solar PV system. Therefore, a RES-BCT system at the WWTP was determined to provide the greatest financial value and energy savings for the City.

Ecoplexus also explored the option to lease the remaining acres at the Wastewater Treatment Plant (WWTP) for PG&E's Re-MAT program. However, the prices for the RE-MAT program have been reduced, making a Re-MAT project at the WWTP no longer financially viable. A utility-scale project would likely trigger costly upgrades, which would further diminish the value of the project. Ecoplexus will continue to explore the potential to utilize the remaining acres at the WWTP for other future PG&E solar programs, such as Community Solar (SB 43). Developing solar under these utility-scale solar programs can be difficult as the project would compete with projects in the Central Valley, which has a significantly higher irradiance.

Due to limitations in the RES-BCT tariff, the solar PV system can only offset the generation portion of the electricity bills. Depending on the effective tariff, demand charges, and other components of the electric bills, the generation component only represents around 25-40% of the total cost of an electric bill. Our

analysis indicates the production from the 707 kW solar PV system will offset the generation component of all of the City's electricity bills. A larger system size would reduce the value of the system, because it would increase the cost of the system and produce bill credits which exceed the value of the generation component from all City accounts.

Under Section 4217.10, et. Seq., the City of Corning may execute a Power Purchase Agreement (PPA) with Ecoplexus to build a solar facility without a competitive bidding process as long as the project will save money for the City of Corning. Government Code 4217 permits public agencies, such as the City of Corning, to enter into facility financing, ground lease, and energy service contracts, such as a Power Purchase Agreement (PPA), with any company, corporation or joint venture to provide alternative energy supply sources. Public agencies that use this Chapter to develop energy projects are exempt from the standard competitive bidding requirements used for public works projects. Ecoplexus has utilized Section 4217 to develop multiple solar facilities with the City of Watsonville without a competitive bidding process. More information about Govt. Code 4217 is included later on in the proposal.

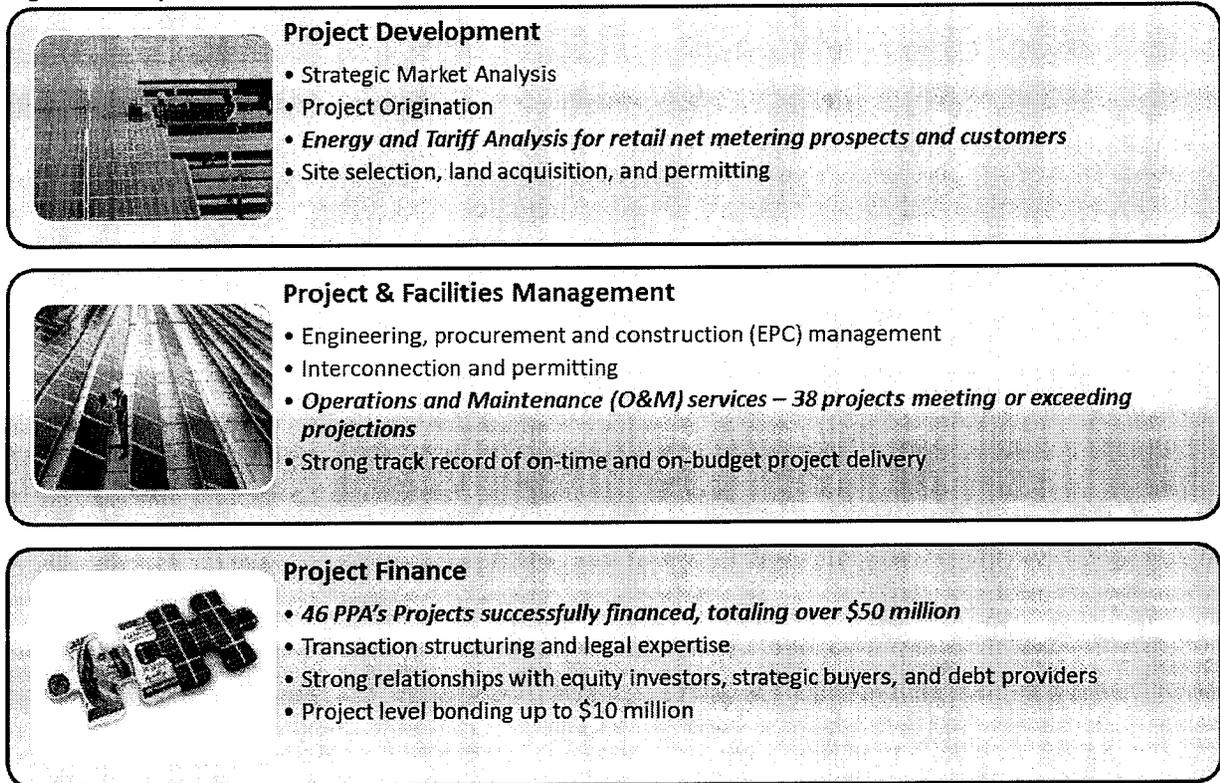
Ecoplexus proposal represents an opportunity for the City of Corning to reduce its electricity costs with no upfront costs. And Ecoplexus has the unique experience, expertise, and capability to develop a RES-BCT at the WWTP that will maximize the financial benefit for the City of Corning. We look forward to working with the City of Corning and look forward to receiving any comments or feedback on this proposal.

Section 2: Ecoplexus Company Qualifications

Ecoplexus believes in a clean energy future. With a focus on distributed generation projects in the 250 kW to 5 MW range, Ecoplexus is a leader in the design, development, and financing of solar energy systems for the commercial, municipal, non-profit, and utility sectors, both in the US and in key markets abroad. Ecoplexus’s energy services capabilities, coupled with its exceptional analytical and project finance expertise, serves as the basis from which the Company has developed, financed, and built over 40 distributed generation and utility scale solar energy facilities in the last three-and-a-half years.

Based in San Francisco, with offices in New York, Dallas, Tokyo, and Istanbul. Ecoplexus develops and operates distributed generation solar photovoltaic (PV) projects that serve on-site load, or export and sell energy via utility procurement programs. The Company provides its clients a comprehensive suite of development and management services, which include site feasibility; energy demand assessment and load profile optimization; financial analysis; design, engineering and integration; engineering, procurement and construction (EPC) management; site selection and land acquisition; project finance; incentives research, management and optimization; lifecycle project management; interconnection and permitting; operations and maintenance services; general contracting; along with education and outreach.

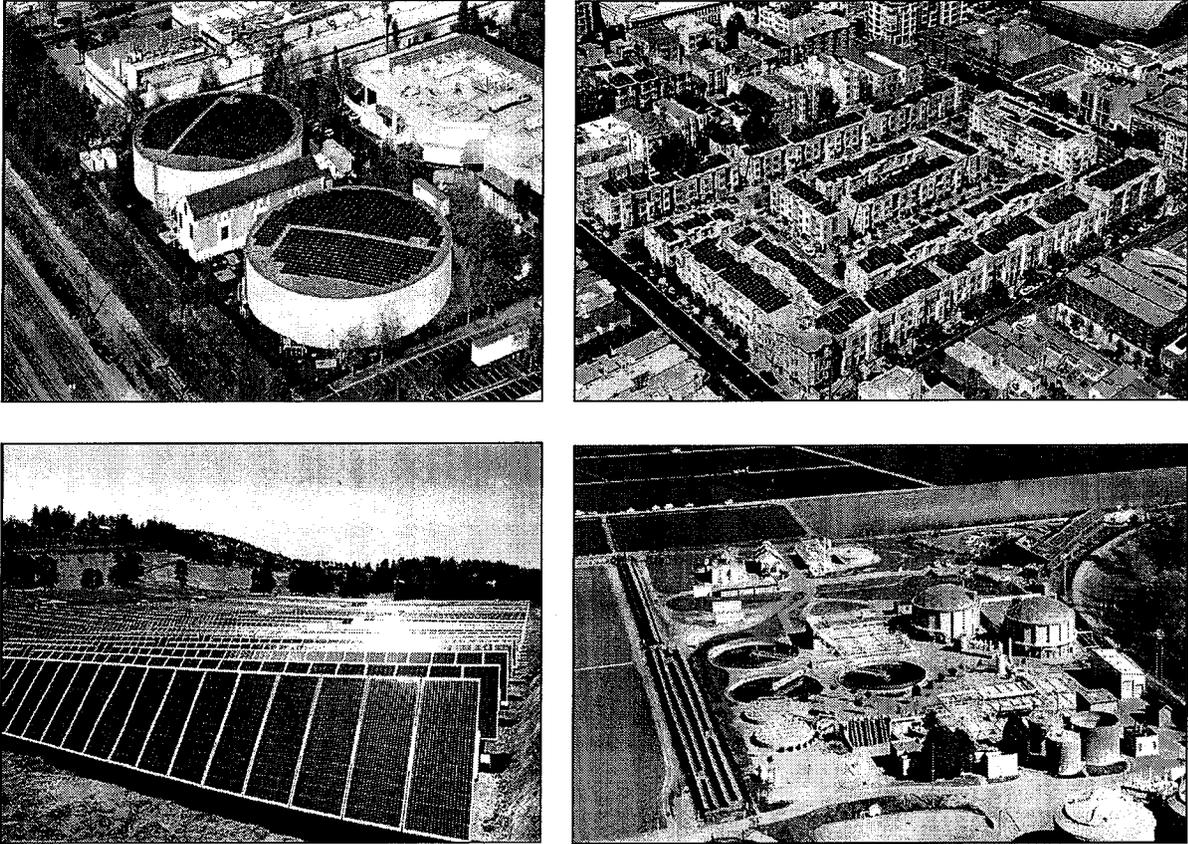
Figure 1. Ecoplexus’ solar PV lifecycle services



The Company’s current focus is on large-scale, municipal and commercial projects as well as distribution-level, utility-scale projects. Ecoplexus has worked with numerous public agencies to help them achieve their climate action plan (CAP) goals and financial savings objectives by implementing on-site PV generation. Ecoplexus has over 50 MWDC of distributed generation and utility-scale projects in various stages of development across in the United States. Ecoplexus has experience with most types of

project sites and designs, including ballasted ground-mounts at environmentally sensitive municipal locations such as water treatment plants and capped landfills. Ecoplexus maintains a valid Class B General Engineering Contractor's license.

Figure 2. Ecoplexus Project Type Experience



Ecoplexus is distinguished across a number of core competencies, including sophisticated economic analysis and comprehensive in-house project finance capabilities, and maintains strong, ongoing relationships with top-tier renewable energy investors. The Company is known for providing detailed system performance and financial models that integrate utility tariffs, net metering arrangements (virtual NEM, aggregated NEM, and remote NEM), solar performance models and financing structures. Ecoplexus is regarded as one of the -- if not the -- leading solar companies in the U.S for all forms of virtual net metering and community solar. We are distinguished in these areas by having the most MW installed under V-NEM / A-NEM, the most satellite meters served under V-NEM / A-NEM, and the most projects completed under V-NEM / A-NEM arrangements.

Additionally, we are currently in the implementation phase for what will be the largest non-utility-owned community solar projects in the country, which will produce 4.5MW of power at two locations in Colorado. These projects will provide community power under a virtual net metering bill credit set up to the Colorado Department of Corrections, City of Grand Junction, City of Sterling, Grand Junction School District 51 , the Colorado Department of Transportation, Northeastern Junior College, and low-income properties. Lastly, we have just begun development of the largest capped landfill project in the US to

make use of a virtual net metering structure. The 3MW project for the City of Burlington, New Jersey, will provide power to the City of Burlington and four schools in the Burlington School District.

Moreover, Ecoplexus retains highly experienced engineering, project management, interconnection and permitting, EPC and construction execution teams with proven expertise at delivering large-scale systems both behind the meter and interconnected at distribution voltage. This breadth of expertise and experience, combined with a company culture that promotes integrity, capital efficiency and the highest quality standards, has resulted in a recent history of winning large, complex public agency projects through competitive bidding, including PV systems at many municipal and county locations.

Ecoplexus is an independent developer, which, to date, has not entered into any exclusive licensing agreements, proprietary relationships or allocation agreements with any supplier. The Company believes the strategic advantages of an independent business model are numerous: most notably, it allows the Company to objectively implement the highest quality and most appropriate system components, based upon the unique attributes and engineering requirements of each individual project. It also empowers the Company to leverage market-based dynamics in order to extract the most competitive terms and conditions from suppliers and sub-contractors, thereby maximizing the capital efficiency of its projects. Supplier diversity ensures that the Company and its stakeholders are not beholden to proprietary technologies or the interests of specific suppliers, and insulates the Company from vendor-specific risk, including those pertaining to finances, technological obsolescence, inadequate supply and price. Finally, this independence strengthens the Company's efforts to attract and manage a diverse set of leading investors with the greatest level of expertise and the most competitive return requirements, and enables the Company to draw upon the resources, experience and best practices of the solar industry's premier resources to continually drive quality standards, innovation and creativity.

Ecoplexus develops polycrystalline and monocrystalline silicon photovoltaic (PV) technology systems. Ecoplexus systems meet seismic, wind, and other structural requirements. All installed equipment is UL listed and the Company uses the most current NEC codes when designing its systems.

Ecoplexus provides operations, management and monitoring services for thirty eight (38) projects, and O&M staff closely monitors system performance on a daily and real-time basis. Ecoplexus has partnered with leaders in the monitoring industry to provide the most accurate and live monitoring available. Using either Draker Laboratories or Deck Monitoring software, Ecoplexus tracks live comparisons of actual system performance vs. modeled system performance based on live weather factors. This allows monitoring teams to be aware of any drops in production, facility outages, inverter errors or other problems that may occur on site. These problems trigger alarms to Ecoplexus so the fastest possible response time can be achieved. Reports are available directly to Ecoplexus customers in real-time to provide customers with a transparent view of how the system is performing.

Corporate Information

Full name of business:	Ecoplexus, Inc., a Delaware corporation.
Headquarters address:	650 Townsend Street, Suite 310, San Francisco, CA 94103
Main phone number:	(415) 626-1802
Web address:	www.ecoplexus.com
EIN:	3593905
Contractor status:	California Class B General Engineering Contractor's License Number 961750

Ecoplexus remains in good standing with all of its contract counterparties, and has had no contracts that have resulted in termination, assignment to another vendor, or mutual agreement for the discontinuation of service. The Company's clients and counterparties included, among others: the County of Santa Clara (SCC); Pacific Gas & Electric (PGE); the City of Watsonville; South Bayside Waste Management Authority (SBWMA); the City of Milpitas; Mission Housing Development Corporation; and Sutter County. The table below shows examples of selected projects, both completed and currently under development, that illustrate the Company's range of development and engineering expertise with solar implementations. Ecoplexus has a project pipeline of more than 50 MW with a value of \$120 million completed or with a 2014 expected commercial operation date (COD).

Table 1. Relevant Project Experience and Pipeline

PROJECT	CUSTOMER	MW _{DC}	FINANCING	DESCRIPTION
MilpitasPV1	City of Milpitas, CA	1.3	PPA	Non-penetrating, ballasted water tank top-mount systems at water facilities, and solar canopies at sewage pump station. LOAD SPLITS
SCC PV1	County of Santa Clara, CA	1	PPA	Rooftop and carport systems at the County's administrative headquarters
SBWMA PV1	South Bayside Waste Management Authority	0.8	PPA	Fixed-tilt, standing seam rooftop systems at three buildings and ground-mount system at the municipal recycling facility and transfer station. LOAD SPLITS
Watsonville PV1	City of Watsonville, CA	0.7	CREBS Design/Build	Ballasted, ground-mount system at the waste water treatment plant. LOAD SPLITS
Jamestown PV1	Pacific Gas & Electric (utility)	2	PPA	Single-axis tracking, ground-mount system in 100 column County
Mesa CSG	City of Grand Junction, CO	2	PPA	Ground-mount, fixed-tilt, and grid-tied aggregate net-metering community solar garden with virtual subscribers; developed under Xcel Energy's Solar Rewards Community program
Sterling CSG	City of Sterling, IL	2	PPA	Ground-mount, single-axis tracking, and grid-tied aggregate net-metering community solar garden with virtual subscribers; developed under Xcel Energy's COMMUNITY SOLAR
Burlington PV1	City of Burlington, NJ	6	PPA	Fixed-tilt, non-penetrating, ground-mounted system on the City's closed MUNICIPAL LANDFILL
Sparta PV1	Georgia Power	1	PPA	Fixed-tilt, ground-mount solar system in Sparta, Georgia developed under Georgia Power's Advanced Solar Initiative
Sterling SCF	Colorado Department of Corrections	0.5	PPA	Single-axis tracking, ground-mount behind-the-meter net-metering facility at the Sterling Correctional Facility; developed under Xcel Energy's Solar Rewards program
Carter PV1	Progress Energy Carolinas	6.48	PPA	Ground-mount, fixed-tilt solar facility in eastern-central North Carolina
Langley PV1	Progress Energy Carolinas	6.48	PPA	Ground-mount, fixed-tilt solar facility in eastern-central North Carolina
Tohoku PV1	Tohoku Electric Japan	1.5	Feed-in Tariff	Ground-mount, fixed-tilt system for Japan's Feed-in Tariff program
Kochi PV1	Chubu Electric Japan	2.5	Feed-in Tariff	Ground-mount, fixed-tilt system for Japan's Feed-in Tariff program
Kochi PV2	Chubu Electric Japan	2	Feed-in Tariff	Ground-mount, fixed-tilt system for Japan's Feed-in Tariff program
Eden Housing PV1	Eden Housing, Inc.	1.76	PPA	Multiple sites featuring a variety of installation typologies: solar canopies, asphalt and composite tile roofs, and flat membrane roofs
Pecan PV1	Progress Energy Carolinas	6.48	PPA	Ground-mount, fixed-tilt solar facility in eastern-central North Carolina
Bradley PV1	Dominion N.C. Power	6.48	PPA	Ground-mount, fixed-tilt solar facility in eastern North Carolina
Valencia Gardens PV1	Mission Housing Development Corporation	0.7	PPA	Roof-mounted virtual-net-metering system at a 261-unit multi-family affordable housing complex
TOTALS		50.98		

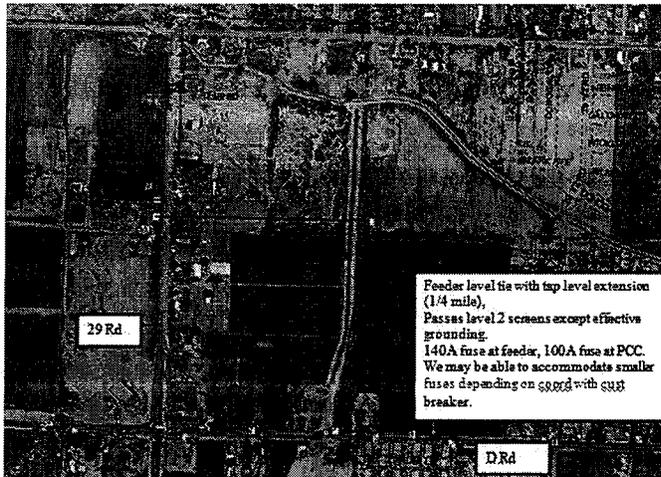
Permitting Experience

Ecoplexus and the project team have in depth permitting experience for large land and rooftop based projects, and experience with most types of project sites and conditions. Ecoplexus has managed various environmental impact studies, and currently has numerous multi-megawatt land-based projects in various stages of the development process in which environmental review and approvals are required, including soil contamination review and studies. Ecoplexus has managed biological studies, including plant and fauna requirements, and was the first solar company to receive a solar easement for protected agricultural lands in California. Company permitting staff has managed tree and woodland studies and forestry permits; conducted endangered species studies and declarations; worked with US Dept of Fish & Game on stream alteration approvals; and developed storm water pollution and drainage plans. Ecoplexus has experience in temporary site facility and road access requirements and civil engineering plans to support the project proposed herein. Ecoplexus was also the first solar firm to receive an easement on Williamson Act land in the state of CA in less than 60 days for our 1.944 MW project at Jamestown.

Interconnection Experience

Ecoplexus has extensive experience in all phases of interconnection review, covering initial interconnection applications, supplementary reviews, system upgrade proposals and negotiations, as well as final reviews and scheduling of work. Ecoplexus has managed medium-voltage direct interconnection requests and roll-outs with utilities. Currently, Ecoplexus is managing an interconnection pipeline consisting of over 15 MW of medium-voltage utility interconnection applications. The project team has additional experience with a variety of forms of utility-upgrade requirements, including property easements.

Figure 3. Interconnection plan, Grand Junction, Colorado, 2 MW solar garden



Ecoplexus Municipal Case Studies:

City of Watsonville

Ecoplexus was selected for a design, build, and operate contract with the City of Watsonville, California, in a competitive tender. The four sites that were selected solar development included City Hall, the waste resource center, as well as the City's new Water Operations Center and Water Recycling Facility. This facility provides recycled and cleaned waste water to farmers across the surrounding counties. Additionally City Hall, the Municipal Service Center, and the Materials Recycling Plant were all selected for solar installations. The ground and roof mounted solar plant for the Water Center had to be specifically designed to integrate with the facility's pumping equipment and operations, requiring both an in depth financial as well as engineering analysis. The contract was awarded in July 2011 and completed for commercial operation on October 30th, 2012.

Image 4. City of Watsonville Waste Water Treatment Plant - Ground Mount and Roof Mount



City of Milpitas

The City of Milpitas, located in California's Silicon Valley, selected Ecoplexus to design, build, finance, and operate solar energy systems at a variety of municipal facilities. The sites selected for solar varied widely and included a former sewage pump station. The designs required integration with operational systems in order to maximize savings to the City. The project team completed an extensive review process for each location, with some sites requiring a complete consumption analysis coupled with onsite testing at the circuit level in order to determine the optimal method for integrating new utility services. Some of the complexities of the Milpitas project included completing one of the first industrial tank-mount installations in the U.S., as well as designing a solar canopy system that could be integrated into the former sewage pump station where below-grade infrastructure still existed. Moreover, the diversity of sites required the use of five unique racking solutions, three different types of inverters, and two module vendors. The total project size was 1,219 kW_{DC} and featured 5,038 modules along with 34 inverters. The contract was awarded in December 2010 and was completed for commercial operation on September 26th, 2012.

Image 5 & 6. City of Milpitas Gibraltar tank-top mount installation and athletic center installation

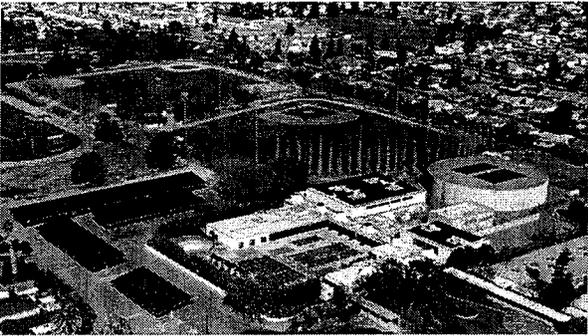
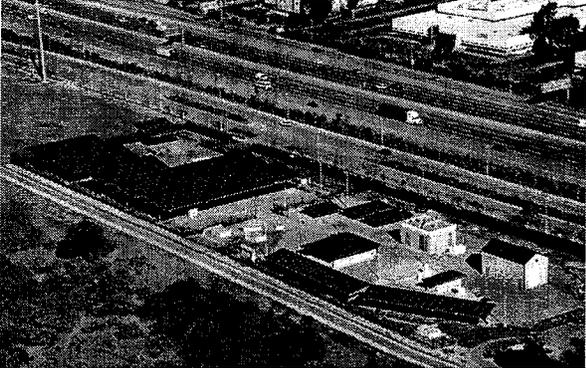


Image 7. City of Milpitas ground-mount installation at the waste pump station along US HWY 101

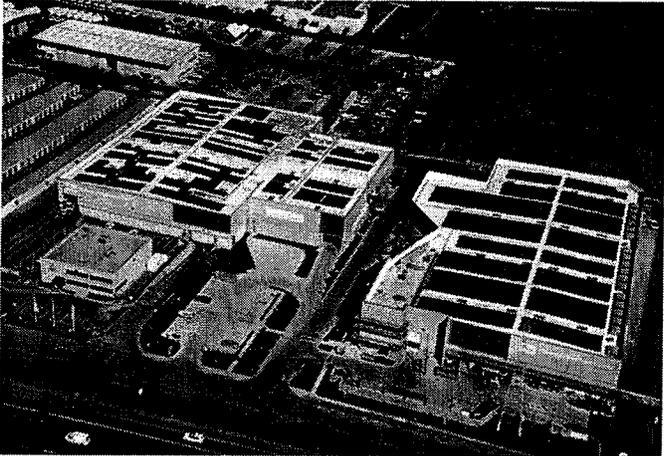


South Bayside Waste Management Authority (SBWMA): Shoreway Environmental Center

SBWMA’s Shoreway Environmental Center – California’s Greenest Recycling Center and Transfer Station – located south of San Francisco in San Carlos, serves a regional solid waste and recycling facility for the receipt, handling, and transfer of solid waste and recyclables. Shoreway is a national model for sustainable building practices and innovative recycling and material handling operations. Ecoplexus was awarded the opportunity to develop photovoltaics on the facility’s rooftop as part of a public RFP process with Santa Clara County. Implementing one of California’s largest solar energy installations at a municipal recycling facility and transfer station presented many challenges. To begin with, there were multiple points of interconnection with the local utility; those interconnections required extensive testing of the facility’s electrical load, including that of the bailer and other heavy machinery onsite. The solar system needed to provide maximum savings for SBWMA, which required changes to both the electrical infrastructure as well as operational practices. The SBWMA installation required a custom-designed racking solution in order to account for the limited weight loads posed by the facility’s raised metal-seam roof. Also, since the facility operates around the clock, Ecoplexus’ project teams were required to manage the logistics of moving materials and installation crews in and out based around the needs of the facility and its constant flow of truck traffic.

The total project size for SBWMA was 775 kW_{DC} and consisted of 3,708 modules and nine inverters. The contract was awarded to Ecoplexus on November 2010 and was delivered for commercial operation on December 28th, 2011.

Image 8. SBWMA’s Shoreway Environmental Center, located in San Carlos, California



Santa Clara County: Administrative Headquarters

The primary project site for the Santa Clara County RFP awarded to Ecoplexus was the County’s administrative headquarters in San Jose. The limitations on space posed by the facility for development meant that finding creative ways to maximize system size and output was the primary concern. One of the most common solutions included performing multiple interconnections in order to maximize savings and avoid equipment upgrades, which would negatively impact project economics. Carports were also implemented in order to account for constrained rooftop space.

The project size for the County’s administrative headquarters was 944 kW_{DC} and featured 2,506 modules along with 11 inverters. The contract was awarded to Ecoplexus on November 2010 and delivered for commercial operation on December 27th, 2011.

Image 9. Santa Clara County's administrative headquarters, located in San Jose, California



Financing Methods

Ecoplexus' financial expertise and broad range of experience allows it to provide clients with a wide array of financing solutions for renewable energy systems, including Power Purchase Agreements (PPA) and lease options. Ecoplexus has financed more than 10 MW of solar projects totaling over \$40 million in project value in the last three years. Santa Clara County, City of Milpitas, Sutter County, and the City of Watsonville are among the Company's clients.

Ecoplexus maintains an investment partnership with two Fortune 500 energy companies. We design, develop, engineer, and construct projects for these entities, and also operate and maintain the systems under 20 year operation and management (O&M) Agreements. Ecoplexus has received term sheets from numerous similarly capitalized investors, and maintains relationships with a broad range of investors in order to ensure financing is available at the lowest rates. The Company has however chosen to self-finance the construction phase for most of its projects.

In addition to maintaining various investor relationships, Ecoplexus is well capitalized and profitable.

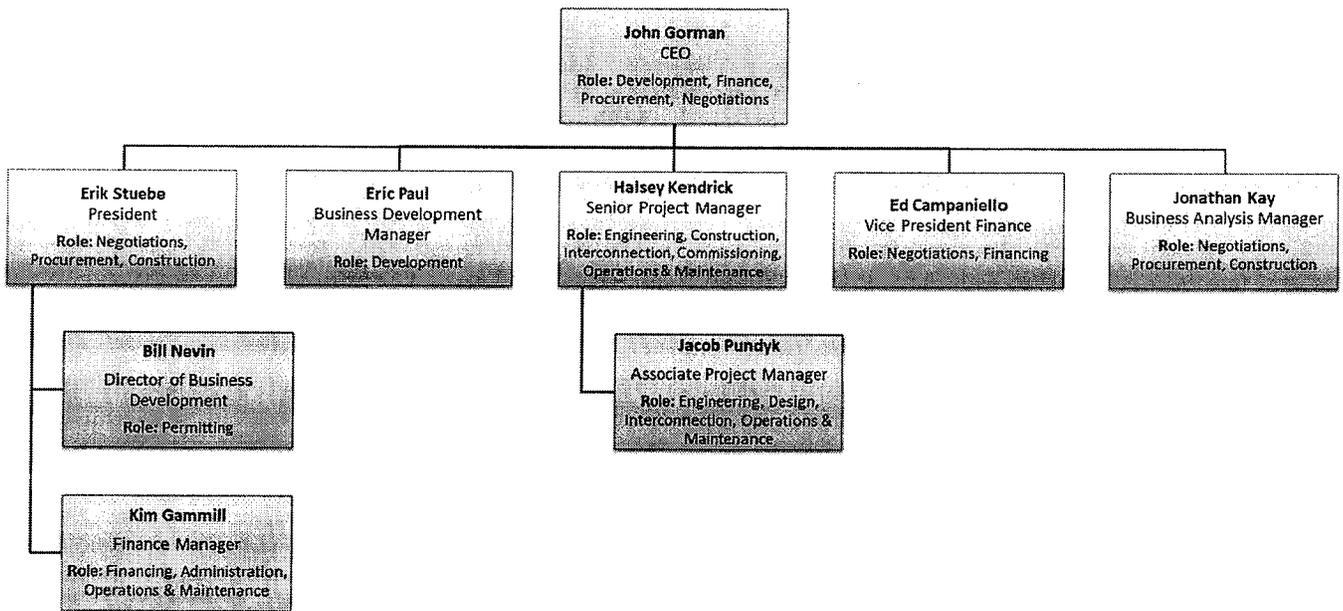
Ecoplexus has bonding capacity of \$5 to \$10 million per project from Zurich Surety, if bonding is required during the construction phase. Ecoplexus has completed 36 SSA projects, 10 with municipal customers, and none have required construction performance bonding.

SECTION 2 – TEAM MEMBER EXPERIENCE

Ecoplexus’ project management and development teams have extensive experience developing solar PV at municipal facilities. Over the past three years, Ecoplexus has developed and financed forty (40) commercial, municipal and utility-scale projects.

Ecoplexus was founded by John Gorman and Erik Stuebe. The two individuals have over forty years of combined management experience and a track record of building successful companies. Both John Gorman and Erik Stuebe play hands on role in the negotiation and development of all municipal projects. The Company’s organizational and management structure is flat with the team working closely on each aspect of the project, tying together the development strands. For this proposal, Ecoplexus will be managing the projects out of our San Francisco office. Eric Paul, Business Development Manager, is managing the response in close coordination with Halsey Kendrick, Senior Project Manager, and John Gorman, CEO.

Ecoplexus organizational chart demonstrates the reporting relationship and roles of the individuals involved in this proposal. Their biographies along with those of other key management personnel are presented below. All team members are based out of Ecoplexus’ San Francisco office located at 650 Townsend St., Suite 310, San Francisco, CA 94103. Team members can be contacted at (415) 626-1802.



John Gorman – CEO

Mr. Gorman has 20 years of business experience, fourteen (14) of those as COO or CEO of dynamic growth companies. Prior to Ecoplexus, Mr. Gorman was the COO of Bailey Street Holdings Company, a designer, manufacturer and wholesaler of furniture with manufacturing in Asia and clients globally. Bailey Street was spun out from the listed retailer, The Bombay Company, and Mr. Gorman was brought in by the acquiring private equity group and participated as an investor. Additionally, Mr. Gorman was the CEO of a venture capital-backed mobile phone software and service provider in Beijing, China. Prior to that, he was a founder and the COO of Servista Ltd in London, UK. Servista is a provider of managed software, business process and billing solutions to some of the largest competitors in the UK retail electricity, gas and telecommunications industry. Prior to his MBA, he worked in software product management and national account development roles for Triad Systems Inc. and Computer Associates. He has an MBA from London Business School.

Mr. Gorman provides overall leadership, vision, and direction for Ecoplexus. His extensive energy analysis experience along with comprehensive solar PV and finance knowledge enables him to identify the most cost-effective solution for clients, based on their load profile, tariff structure, and site capacity.

Erik Stuebe – President

Mr. Stuebe has led the business development and account management efforts for over 15 MW of solar projects at Ecoplexus. Mr. Stuebe has 20+ years of business experience in corporate finance and general management. Prior to founding Ecoplexus, Mr. Stuebe started and grew a consumer products company, Blue Marlin Corp., to over \$25 million in sales. He also formerly worked at Kidder, Peabody in investment banking and Trammell Crow Company in real estate development. Mr. Stuebe is a graduate of Harvard Business School and holds a BS in Finance from the University of Minnesota.

Mr. Stuebe is the link between the executive and financing side of each development, and the design, construction, and O&M teams. In addition to directing the formulation of models, he manages the execution Power Purchase Agreements (PPAs). Mr. Stuebe reports to Mr. Gorman.

Ed Campaniello – VP Finance

Mr. Campaniello has over 15 years of corporate and project finance experience. Mr. Campaniello was founder of Resource Innovation, a clean energy project finance advisor to clients including Recurrent Energy and Medley Capital. He has held senior management and finance roles with several energy finance and technology firms including Solar Mosaic and Agilewaves. He was the founder of Semetric Development, an environmental management software provider acquired by Ecos Technologies. He was previously with Morgan Stanley's Investment Banking Department, working with client companies that successfully raised over \$2.5 billion in debt and equity capital. He holds an MBA from the Haas School at UC Berkeley and a BA from the University of Michigan, Ann Arbor.

Eric Paul – Business Development Manager

Mr. Paul is responsible for managing this proposal in close coordination with Ecoplexus CEO, John Gorman. Mr. Paul has more than 6 years of experience working with commercial renewable energy solutions and sustainable business practices. In his current role as a Business Development Manager,

Mr. Paul assists commercial and institutional customers to develop net metered and virtually net metered solar projects. Prior to joining Ecoplexus, Mr. Paul was a Senior Analyst at AltaTerra Research, a research consultancy specializing in renewable energy solutions for the commercial marketplace. As a Senior Analyst, he contributed to a broad range of market research and consulting engagements in corporate sustainability and renewable energy systems strategies. Previously, Mr. Paul worked for the Business Environmental Alliance in Sonoma County, assisting a wide variety of companies with the implementation of sustainable business practices. He holds a degree in economics from Carleton College.

Halsey Kendrick – Senior Project Manager

Mr. Kendrick is responsible for coordinating communications and efficient scheduling of work tasks between property owners, building staff, Ecoplexus staff, equipment partners and subcontractors in order to meet project timelines and budget. Mr. Kendrick has 20+ years' experience managing design/construction projects. Mr. Kendrick is currently managing over 5 MWs of solar PV projects, and is responsible for site review and analysis; system design; permitting and utility coordination; equipment selection and procurement; contractor selection and management; system installation; and system commissioning. Prior to joining Ecoplexus, Mr. Kendrick managed design and construction of 200+ retail location projects for Ben & Jerry's Ice Cream throughout the US, Europe, Asia and the Middle East, and was responsible for integrating sustainable design/construction principles into all build-outs. His experience covers structural, electrical, process systems, plumbing and heating/AC components. He has completed advanced coursework in PV System Design at the Solar Training Institute (STI).

Jonathan Kay – Business Analysis Manager

Mr. Kay performs energy and financial analyses for proposed developments under the direction of Mr. Gorman and Mr. Stuebe. Since starting at Ecoplexus, he has modeled and analyzed over 10 MW of solar projects. Mr. Kay has 10+ years of business experience in business analysis, corporate development, and account management. Prior to working at Ecoplexus, Mr. Kay worked for Dolby Laboratories in a variety of roles in licensing, marketing, finance, and corporate development. Mr. Kay has an MBA from the Haas School of Business at UC Berkeley and a BS in Recording Industry from Middle Tennessee State University.

Mr. Kay's analytical expertise includes energy demand assessment and load profile modeling, and estimating the potential energy production of solar arrays based on the irradiance of a specific geographic location, site constraints, and stated output values of different modules. His financial engineering acumen helps the Company create financial models that produce the greatest possible return on investment for Ecoplexus' clients.

Jacob Pundyk - Associate Project Manager

Mr. Pundyk graduated with honors from the University of Colorado at Boulder with a degree in Environmental Design in 2008. While in Colorado, he was involved in a design/build project as well as the University of Colorado Center for Innovation and Creativity as a lab monitor in wood, metal, and laser labs with exposure to CNC milling machines. After Colorado, he worked at Moore Ruble Yudell Architects in Santa Monica, California, on a variety of residential, commercial and government projects. In 2009, he began working in renewable energy when he joined a team as a design consultant

in developing a 20MW solar photovoltaic project in Central California. In 2010, he joined REP Energy, Inc. as a project designer working on large scale solar photovoltaic projects throughout the western United States. While at REP Energy, he worked on the design and installation of over 30 projects ranging in size from residential to utility scale. His responsibilities and experience there extended beyond his design background to include utility interconnection and rebate and grant applications. In 2011, Jacob started working as an independent contractor with REP Energy, Inc., BBL Solar Design, and several other Bay Area and national clients. In October of 2012, Jacob joined Ecoplexus full time as an Associate Project Manager.

Kim Gammill – Finance Manager

Mrs. Gammill is responsible for all aspects of accounting including preparation of financial statements for Ecoplexus. Prior to joining the Company, Mrs. Gammill served as Controller for five years to the contract design and wholesaler of accent furniture, Bailey Street Holding Company, which was spun out of The Bombay Company. Mrs. Gammill also worked for The Bombay Company as an accounting manager and as a public accountant preparing tax returns and performing audits. Mrs. Gammill holds a BBA from the University of Texas at Arlington.

Bill Nevin – Director of Business Development

Mr. Nevin has over 28 years in the real estate industry performing commercial real estate acquisitions, leasing, sales, zoning, telecommunications siting and land development. Prior to joining Ecoplexus, Mr. Nevin worked in land development for KBHome, UDC/Shea Homes and Cobblestone, acquiring over \$1B in real estate and securing federal, state and local permits for residential and multi-use projects in California. In 1995, Mr. Nevin was the Director of Real Estate for American Tower (NYSE: AMT), managing over 3,500 properties in the western US and assisted in \$200M+ in new acquisitions. Mr. Nevin is a licensed Real Estate Broker and holds a B.A from U.C. Berkeley.

Mr. Nevin's extensive knowledge of land acquisitions, the entitlement process, and due diligence allow him to lead the Company's progressive planning process in diverse locations ranging from California to New York with great skill. His intimate, day-to-day involvement with the entitlement process ensures that any unanticipated regulatory hurdles are identified in a timely fashion; in the event such obstacles arise, Mr. Nevin will apprise both the client and Mr. Stuebe and make a recommendation regarding the most cost-effective resolution to the issue.

SECTION 3 – TECHNICAL PROPOSAL

System Design

Ecoplexus proposes a 707 kWdc ground-mount solar PV system at a 25 degree fixed-tilt facing directly south. The system proposed is located in the southwest corner of the parcel to allow for the future expansion of the Wastewater Treatment Plant (WWTP). The system will be comprised of 2,364 300-watt solar modules from Renesola, or an equivalent tier-one solar module manufacturer. A clear path of at least 30 ft. has been left around the outer most perimeter of the solar array. The system will require approximately 3.5 acres. A layout of the proposed system can be found on the following page.

The 707 kWdc is estimated to produce 1,150,540 kWh in the first year. Solar system production is modeled to degrade at 0.5% annually. The system will produce 21,917,781 kWh over 20 years and 27,037,683 kWh over 25 years.

System Interconnection and Metering

The system will be interconnected behind meter #1009515027 at the WWTP. Meter # 1009515027 will serve as the “generating meter” for the RES-BCT system. PG&E will install a generator account meter that separately measures both the electricity drawn from the utility grid and that exported to the grid; the metered exports to the grid are used to calculate the generation credits. The interconnection is subject to PG&E’s Rule 21 for interconnection, which Ecoplexus has significant experience working with.

Equipment

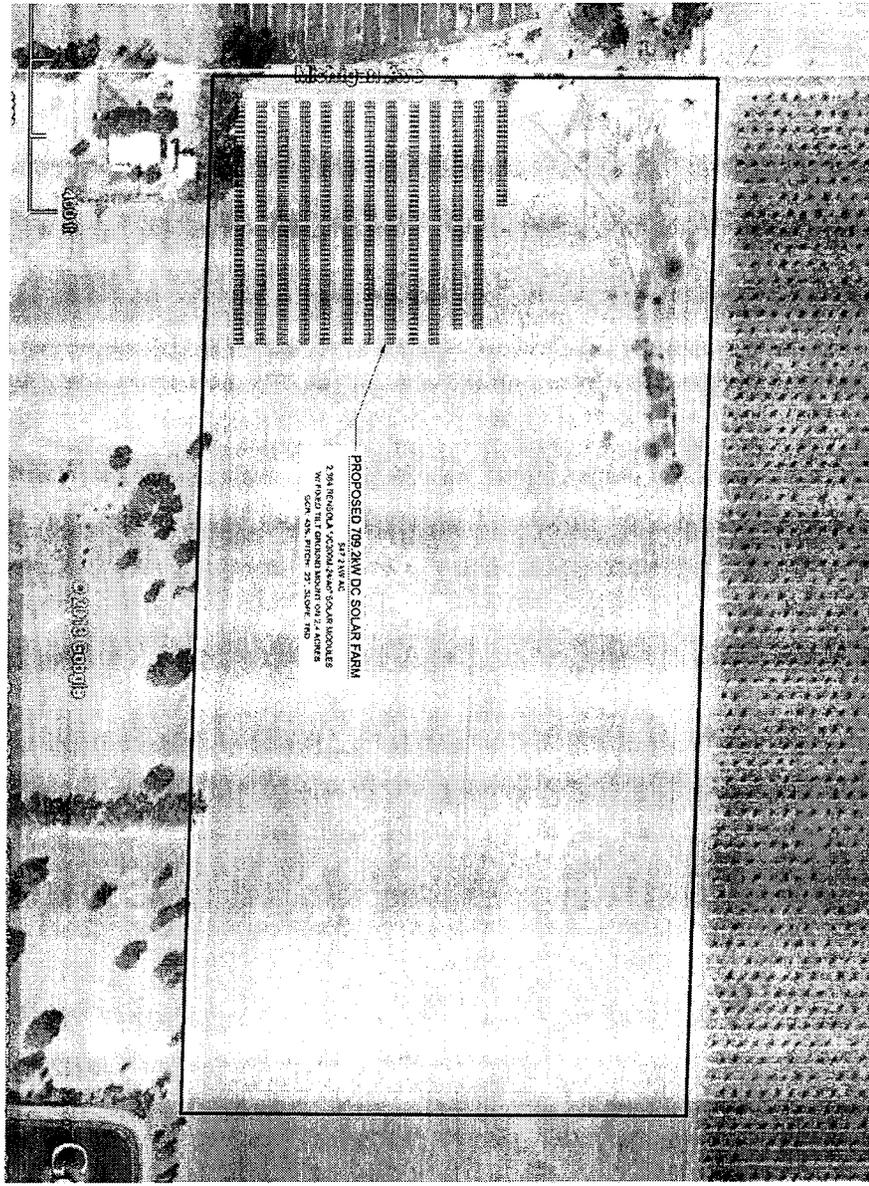
Ecoplexus procures key technologies from only top-tier (“investment grade”) vendors with proven (and bankable) technology and the financial strength to support long-term warranties.

A tier one panel manufacturer, such as Renesola or an equivalent supplier, will provide solar panels for the systems. Renesola offers 100% warranty term coverage for 25 years on linear power output and 10 years on materials and workmanship. The panels will be maintained according to the manufacturer’s operating guidelines and warranty requirements. All modules will be UL listed and installed per the manufacturer’s instructions.

A tier 1 inverter manufacturer, such as Advanced Energy or an equivalent supplier, will provide inverters for the systems. Ecoplexus proposal and pricing includes a 20-year extended inverter warranty. The inverter will require standard preventative maintenance and servicing per the manufacturer’s operating guidelines and warranty requirements.

All other components in the system, including all electrical equipment and connections, are designed to last the expected life, 30+ years, of the system.

1 PRELIMINARY SITE PLAN



LEGEND

	PROPOSED LINE		EXISTING ROAD
	SETBACKS		PROJECT AREA
	BOUNDARY		FENCE LINE

SCALE: 1" = 300' 0 100 200 300



OFFICIAL USE ONLY

NOT FOR CONSTRUCTION

- PROJECT NOTES:**
1. MIN. 30' CLEARANCE AROUND THE OUTER MOST PERIMETER OF SOLAR ARRAY.
 2. 25 FEET MIN. BETWEEN ADJACENT ROWS.

COMMISSION
PV1.1

**PRELIMINARY
SITE PLAN**

CORNING WT PV1
25010 GARDINER FERRY RD. CAPIN: 075-290-36, 075-290-04
CORNING, CALIFORNIA 96021

ecoplexus
CORNING, CALIFORNIA
1001 FARMERS RD. SUITE 100
CORNING, CA 96021
TEL: 530.291.1111
WWW.ECOPLEXUS.COM

SECTION 4 – RES-BCT

Renewable Energy Self-Generation Bill Credit Transfer for a Local Government (RES-BCT)

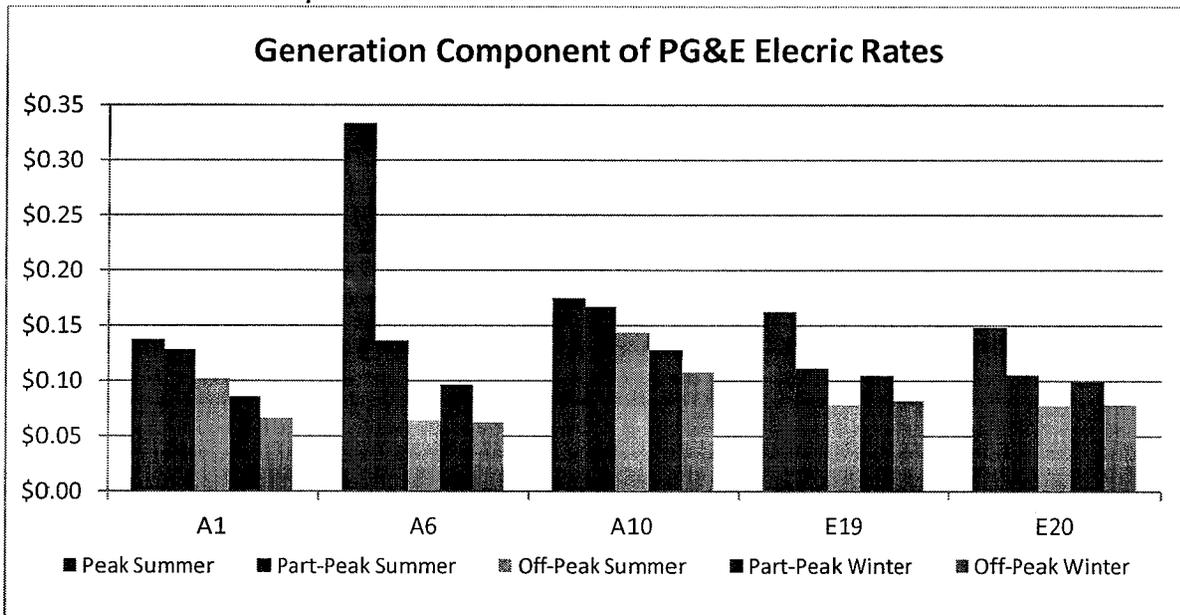
The RES-BCT tariff allows a Local Government, such as the City of Corning, to install a renewable energy facility within its borders to offset the generation component of other City meters located within its borders. The RES-BCT system will create bill credits for electricity produced City will receive a bill credit for the exported electricity grid that can be used to offset the generation component of other City electrical meters. This program allows a Local Government to install up to a 5 MW of eligible renewable generation per location (generating account) within its geographic boundary and convert excess electricity exported to the utility grid to credits that can be used to offset the generation component charges at one or more other locations (benefitting accounts), within the same geographic boundary.

WWTP PG&E Account # 1753493604 will be designated as the “Generating Account.” Electricity produced by the solar array will first be used to offset onsite load at the WWTP. Excess electricity produced during any period of the day will be exported to the electric grid. The exported electricity will create bill credits that can be used to offset other meters.

The value of the bill credit for the exported electricity is determined by the generation component the generation accounts rate schedule and also the period of day when the kWh is produced.

Ecoplexus will switch the designated generating account, WWTP account #1753493604, from PG&E’s E19S tariff to A6 tariff to maximize the value of solar. The value of the bill credits created under the RES-BCT is driven by the generation component of the rate structure at the WWTP meter. For every kWh that is exported to the electrical grid, a bill credit will be created for the value of the generation component of that kWh. For example, a kWh exported to PG&E’s electric grid during peak summer rates will create a bill credit of \$0.3335 under the A6 tariff compared to \$0.1625 under the E19S tariff. The City will receive significantly higher value from having the generating account on PG&E’s A6 schedule.

Chart 1. Generation Component of PG&E Electric Rates



*All rates assume secondary service for A10, E19, and E20 tariffs. Prices from 6/11/2014.

The City of Corning can designate up to 50 accounts as “benefiting account(s)” per “arrangement” to receive generation bill credits. Ecoplexus analysis has identified a total of 37 City-owned meters that would be designated as benefiting accounts. All accounts, both generating and benefiting accounts, must take service on an applicable bundled, time-of-use (TOU) rate schedule. The City has already moved most of its accounts to TOU rate structures. Our analysis has only identified only 4 small A1 meters that would need to be switched to TOU structures.

Benefiting accounts will be billed for all electricity usage, and for each bill component, at the applicable rate schedule for each account. The benefiting accounts electric bill will then be reduced by the percentage of bill credits allocated to the account.

Ecoplexus will work with the City of Corning to determine the percentage allocation for each benefiting meter. The export credits will only be applied to the generation portion of the energy charges of the benefiting accounts (i.e., they cannot offset non-generation charges, nor can they offset the generation portion of the demand charge, or any other parts of the bill). Below is an example of the unbundled rate schedule for PG&E’s A6 rate schedule. The generation component only makes up a portion of total electricity costs.

Image 10. Unbundled A-6 Electric Schedule.

ELECTRIC SCHEDULE A-6 S
SMALL GENERAL TIME-OF-USE SERVICE

RATES:
 (Cont'd.)

Total bundled service charges shown on customers’ bills are unbundled according to the component rates shown below. PDP charges and credits are all generation and are not included below.

UNBUNDLING OF TOTAL RATES

Customer/Meter Charge Rates: Customer/Meter charge rates provided in the Total Rate section above are assigned entirely to the unbundled distribution component.

Energy Rates by Components (\$ per kWh)

Generation:	
Peak Summer	\$0.31367
Part-Peak Summer	\$0.12840
Off-Peak Summer	\$0.06004
Part-Peak Winter	\$0.09074
Off-Peak Winter	\$0.05854
Distribution**:	
Peak Summer	\$0.19067
Part-Peak Summer	\$0.08680
Off-Peak Summer	\$0.04480
Part-Peak Winter	\$0.03352
Off-Peak Winter	\$0.03630
Transmission* (all usage)	\$0.01274
DWR Bond (all usage)	\$0.00513
Transmission Rate Adjustments* (all usage)	\$0.00391 (I)
Reliability Services* (all usage)	(\$0.00014)
Public Purpose Programs (all usage)	\$0.01268
Nuclear Decommissioning (all usage)	\$0.00049
Competition Transition Charges (all usage)	\$0.00154
Energy Cost Recovery Amount (all usage)	(\$0.00154)
New System Generation Charge (all usage)**	\$0.00289

If the bill credit applied to benefiting account exceeds the generation component of the bill, the excess bill credit will be carried over to the next billing cycle. There will be an annual true-up every twelve months, where any remaining credits will be reset to zero.

SECTION 5 – COST PROPOSAL AND FINANCIAL ANALYSIS

Ecoplexus proposal is for a 20-year Power Purchase Agreement (PPA) at \$0.117/kWh, escalating at 2.5% annually. The City will have the option to extend the PPA for an additional 5 years. A template PPA has been included in Appendix A.

Several savings summaries have been included with our proposal outlining the City’s savings under different utility escalation rates. Ecoplexus requests that any prevailing wage provisions be waived for this project, in order to provide the City with the greatest financial value. Pricing assumes that solar modules prices will incur modest tariff duties. If tariff duties imposed by the U.S. Department of Commerce are significant, PPA pricing will be affected.

The 707 kW solar system has the potential to save the City of Corning **\$1,915,734** over 20-years and **\$2,786,493** over 25-years assuming a 4% utility escalation rate, **\$1,655,827** over 20-years and **\$2,328,954** over 25-years assuming a 3.5% utility escalation rate, or **\$1,181,034** over 20-years and **\$1,514,683** over 25-years assuming a 2.5% utility escalation rate.

Below is a breakdown of the City of Corning’s pre- and post-solar costs. A more detailed financial analysis and savings summary is included on the following pages.

Table 2. Pre and Post Solar Costs.

WWTP Account			
Pre-Solar Electricity Costs	\$ 75,505	\$ 2,135,261	\$ 2,940,914
Post-Solar Electricity Costs**	\$ 64,695	\$ 1,810,390	\$ 2,488,394
Total Savings	\$ 10,810	\$ 324,871	\$ 452,520
Benefiting Accounts			
Pre-Solar Electricity Costs	\$ 360,951	\$ 10,207,588	\$ 14,059,002
Post-Solar Electricity Costs**	\$ 318,501	\$ 8,876,633	\$ 12,182,568
Total Savings	\$ 42,450	\$ 1,330,956	\$ 1,876,434
Combined Savings			
Pre-Solar Electricity Costs	\$ 436,456	\$ 12,342,849	\$ 16,999,916
Post-Solar Electricity Costs**	\$ 383,196	\$10,687,023	\$ 14,670,962
Total Savings	\$ 53,260	\$ 1,655,827	\$ 2,328,954

* Assumes 3.5% utility escalation rate.

** Post-solar electricity costs include cost of electricity from PG&E and PPA.

CITY OF CORNING - 707 KW PG&E OPTIMAL SYSTEM A-6 - \$0.1170/kWh Solar PPA - 4.0% utility price increases

	YR 1	YR 2	YR 3	YR 4	YR 5	YR 10	YR 15	YR 20	YR 25	20 YEAR TOTAL	25 YEAR TOTAL
Pre-Solar											
Electricity Consumption (kWh) - Generating Account	546,326	546,326	546,326	546,326	546,326	546,326	546,326	546,326	546,326	10,926,510	13,658,138
Electricity Consumption (kWh) - Benefiting Accounts	2,687,442	2,687,442	2,687,442	2,687,442	2,687,442	2,687,442	2,687,442	2,687,442	2,687,442	53,748,835	67,186,044
Total Consumption (kWh)	3,233,767	64,675,345	80,844,181								
Electricity Costs (\$)											
Electricity Costs (\$) - Generating Account	4.0% \$ 75,505	\$ 78,525	\$ 81,666	\$ 84,933	\$ 88,330	\$ 107,467	\$ 130,750	\$ 159,078	\$ 193,543	\$ 2,248,398	\$ 3,144,400
Electricity Costs (\$) - Benefiting Accounts	4.0% \$ 360,951	\$ 375,389	\$ 390,405	\$ 406,021	\$ 422,262	\$ 513,746	\$ 625,051	\$ 760,470	\$ 925,228	\$ 10,748,437	\$ 15,032,146
Total Cost of Electricity - All Meters	\$ 436,456	\$ 453,915	\$ 472,071	\$ 490,954	\$ 510,592	\$ 621,214	\$ 755,801	\$ 919,548	\$ 1,118,771	\$ 12,996,834	\$ 18,176,525
All meters switched to TDU rate structures											
New Electricity Costs (\$) - Generating Account	\$ 104,388	\$ 108,356	\$ 112,690	\$ 117,197	\$ 121,885	\$ 148,292	\$ 180,420	\$ 219,509	\$ 267,066	\$ 3,102,522	\$ 4,339,008
New Electricity Costs (\$) - Benefiting Accounts	\$ 361,816	\$ 376,289	\$ 391,341	\$ 406,994	\$ 423,274	\$ 514,977	\$ 626,549	\$ 762,232	\$ 927,445	\$ 10,774,195	\$ 15,068,169
Total Cost of Electricity - TDU Structure	\$ 466,004	\$ 484,645	\$ 504,030	\$ 524,192	\$ 545,159	\$ 663,270	\$ 806,969	\$ 981,801	\$ 1,194,511	\$ 13,876,716	\$ 19,407,178
System Production											
PPA Price (\$/kWh)	2.5% \$ 0.1170	\$ 0.1199	\$ 0.1229	\$ 0.1260	\$ 0.1291	\$ 0.1461	\$ 0.1653	\$ 0.1870	\$ 0.2116		
Solar System Production (kWh)	1,150,540	1,144,787	1,139,034	1,133,282	1,127,529	1,098,765	1,070,002	1,041,238	1,012,475	21,917,781	27,037,683
Annual Degradation	0.50% 100%	99.50%	99.00%	98.50%	98.00%	95.50%	93.00%	90.50%	88.00%		
Solar Output as % of Consumption	36%	35%	35%	35%	35%	34%	33%	32%	31%		
PPS-RCT and Credits											
Solar Electricity Consumed (kWh) at Generating Account	513,106	510,540	507,975	505,409	502,844	490,016	477,188	464,361	451,533	9,774,665	12,057,985
Electricity Exported (kWh) to Benefiting Accounts	637,434	634,247	631,060	627,872	624,685	608,749	592,814	576,878	560,942	12,143,116	14,979,697
Value of Solar to Generating Account	\$ 99,526	\$ 102,990	\$ 106,574	\$ 110,282	\$ 114,120	\$ 135,408	\$ 160,667	\$ 190,638	\$ 226,199	\$ 2,808,790	\$ 3,886,231
Value of Exported kWh to Benefiting Accounts	\$ 117,895	\$ 121,998	\$ 126,243	\$ 130,637	\$ 135,183	\$ 160,400	\$ 190,320	\$ 225,823	\$ 267,947	\$ 3,327,191	\$ 4,579,798
Post-Solar											
PG&E Electricity Costs (\$) - Generating Meter	\$ 4,667	\$ 5,366	\$ 6,116	\$ 6,915	\$ 7,765	\$ 12,884	\$ 19,753	\$ 28,871	\$ 40,867	\$ 293,732	\$ 472,777
PG&E Electricity Costs (\$) - Benefiting Meters	\$ 143,921	\$ 154,291	\$ 165,097	\$ 176,358	\$ 188,091	\$ 354,578	\$ 436,228	\$ 536,470	\$ 659,498	\$ 7,447,004	\$ 10,488,372
Total Cost of Electricity - All Meters	\$ 148,588	\$ 159,657	\$ 171,213	\$ 183,273	\$ 195,856	\$ 367,462	\$ 455,981	\$ 565,341	\$ 700,364		
PPA Charges at Generating Meter	\$ 60,093	\$ 61,534	\$ 63,073	\$ 64,649	\$ 66,266	\$ 74,973	\$ 84,826	\$ 95,972	\$ 108,584	\$ 1,533,532	\$ 2,050,606
PPA Charges at Benefiting Meters	\$ 74,580	\$ 76,062	\$ 77,572	\$ 79,110	\$ 80,676	\$ 88,949	\$ 98,003	\$ 107,900	\$ 118,707		
Total PPA Charges - All Meters	\$ 134,613	\$ 137,596	\$ 140,644	\$ 143,759	\$ 146,941	\$ 163,922	\$ 182,828	\$ 203,873	\$ 227,291		
Total Electricity Costs (PG&E+PPA Bills) - Generating Meter	\$ 64,695	\$ 66,900	\$ 69,189	\$ 71,564	\$ 74,031	\$ 87,857	\$ 104,579	\$ 124,843	\$ 149,450	\$ 1,827,264	\$ 2,523,383
Total Electricity Costs (PG&E+PPA Bills) - Benefiting Meters	\$ 318,901	\$ 330,353	\$ 342,669	\$ 355,467	\$ 368,767	\$ 443,526	\$ 534,231	\$ 644,370	\$ 778,205	\$ 9,253,837	\$ 12,866,749
New Total Cost of Electricity - All Meters	\$ 383,196	\$ 397,253	\$ 411,858	\$ 427,032	\$ 442,798	\$ 531,384	\$ 638,810	\$ 769,213	\$ 927,655	\$ 11,081,101	\$ 15,390,132
Total Customers Savings - Generating Meter	\$ 10,810	\$ 11,625	\$ 12,478	\$ 13,369	\$ 14,300	\$ 19,610	\$ 26,172	\$ 34,235	\$ 44,092	\$ 421,134	\$ 521,097
Total Customers Savings - Benefiting Meters	\$ 42,450	\$ 45,036	\$ 47,736	\$ 50,554	\$ 53,495	\$ 70,210	\$ 90,820	\$ 116,100	\$ 147,023	\$ 1,494,600	\$ 2,165,396
TOTAL SAVINGS AT ALL SITES	\$ 53,260	\$ 56,661	\$ 60,213	\$ 63,923	\$ 67,795	\$ 89,820	\$ 116,992	\$ 150,335	\$ 191,115	\$ 1,915,734	\$ 2,786,493
% Savings	14.0%	11%	12%	12%	12%	14%	14%	15%	15%		

Financial Savings Summary - 4.0% Utility Escalation Rate

NOTE: The financial projections above should be viewed as projections only. Actual savings are subject to a number of factors including, but not limited to, weather, actual site consumption, future changes in utility tariff schedules, and final system size and design. This reflects 20 yrs. system can operate up to 30 yrs.

CITY OF CORNING - 707 KW PG&E OPTIMAL SYSTEM A-6 - \$0.1170/kWh Solar PPA - 3.5% utility price increases

	YR 1	YR 2	YR 3	YR 4	YR 5	YR 10	YR 15	YR 20	YR 25	20 YEAR TOTAL	25 YEAR TOTAL
Pre-Solar											
Electricity Consumption (kWh) - Generating Account	546,326	546,326	546,326	546,326	546,326	546,326	546,326	546,326	546,326	10,926,510	13,658,138
Electricity Consumption (kWh) - Benefiting Accounts	2,687,442	2,687,442	2,687,442	2,687,442	2,687,442	2,687,442	2,687,442	2,687,442	2,687,442	53,748,835	67,186,044
Total Consumption (kWh)	3,233,767	64,675,345	80,844,181								
Electricity Costs (\$)											
Electricity Costs (\$) - Generating Account	3.5% \$ 75,505	\$ 78,148	\$ 80,883	\$ 83,714	\$ 86,644	\$ 102,906	\$ 122,220	\$ 145,150	\$ 172,403	\$ 2,235,261	\$ 2,940,934
Electricity Costs (\$) - Benefiting Accounts	3.5% \$ 360,951	\$ 373,585	\$ 386,660	\$ 400,193	\$ 414,200	\$ 491,940	\$ 584,270	\$ 693,929	\$ 824,170	\$ 10,207,588	\$ 14,059,002
Total Cost of Electricity - All Meters	\$ 436,456	\$ 451,732	\$ 467,543	\$ 483,907	\$ 500,844	\$ 594,845	\$ 706,490	\$ 839,078	\$ 996,573	\$ 12,342,850	\$ 16,999,936
All meters switched to TOU rate structures											
New Electricity Costs (\$) - Generating Account	\$ 104,188	\$ 107,835	\$ 111,609	\$ 115,515	\$ 119,558	\$ 141,998	\$ 168,649	\$ 200,302	\$ 237,896	\$ 2,946,405	\$ 4,058,112
New Electricity Costs (\$) - Benefiting Accounts	\$ 361,816	\$ 374,480	\$ 387,587	\$ 401,152	\$ 415,193	\$ 493,119	\$ 585,670	\$ 695,592	\$ 826,346	\$ 10,232,051	\$ 14,092,694
Total Cost of Electricity - TOU Structure	\$ 466,004	\$ 482,315	\$ 499,196	\$ 516,667	\$ 534,751	\$ 635,116	\$ 754,319	\$ 895,894	\$ 1,064,241	\$ 13,178,457	\$ 18,150,806
System Production											
PPA Price (\$/kWh)	2.5% \$ 0.1170	\$ 0.1199	\$ 0.1229	\$ 0.1260	\$ 0.1291	\$ 0.1461	\$ 0.1653	\$ 0.1870	0.2116		
Solar System Production (kWh)	1,150,540	1,144,787	1,139,034	1,133,282	1,127,529	1,098,765	1,070,002	1,041,238	1,012,475	21,917,781	27,037,683
Annual Degradation	0.50%	100%	99.50%	99.00%	98.50%	98.00%	95.50%	93.00%	90.50%	88.00%	
Solar Output as % of Consumption		36%	35%	35%	35%	35%	34%	33%	32%	31%	
RES-DCT Bill Credits											
Solar Electricity Consumed (kWh) at Generating Account	513,306	510,540	507,975	505,409	502,844	490,016	477,188	464,361	451,533	9,774,665	12,057,986
Electricity Exported (kWh) to Benefiting Accounts	637,434	634,247	631,060	627,872	624,685	608,749	592,814	576,878	560,942	12,143,116	14,979,697
Value of Solar to Generating Account	\$ 99,526	\$ 102,494	\$ 105,551	\$ 108,699	\$ 111,941	\$ 120,661	\$ 150,184	\$ 173,957	\$ 201,493	\$ 2,669,549	\$ 3,620,323
Value of Exported kWh to Benefiting Accounts	\$ 127,895	\$ 123,411	\$ 119,032	\$ 114,761	\$ 110,602	\$ 153,591	\$ 177,903	\$ 206,063	\$ 238,681	\$ 3,162,250	\$ 4,288,504
Post-Solar											
PG&E Electricity Costs (\$) - Generating Meters	\$ 4,662	\$ 5,340	\$ 6,058	\$ 6,816	\$ 7,617	\$ 12,337	\$ 18,464	\$ 26,345	\$ 36,403	\$ 376,858	\$ 437,789
PG&E Electricity Costs (\$) - Benefiting Meters	\$ 243,921	\$ 251,969	\$ 262,554	\$ 273,391	\$ 282,591	\$ 339,527	\$ 407,767	\$ 489,529	\$ 587,465	\$ 7,069,800	\$ 9,804,190
Total Cost of Electricity - All Meters	\$ 248,583	\$ 258,409	\$ 268,612	\$ 279,207	\$ 290,208	\$ 351,864	\$ 426,231	\$ 515,874	\$ 623,867		
PPA Charges at Generating Meters	\$ 60,033	\$ 61,534	\$ 63,073	\$ 64,649	\$ 66,266	\$ 74,973	\$ 84,826	\$ 95,972	\$ 108,584	\$ 533,532	\$ 2,050,606
PPA Charges at Benefiting Meters	\$ 74,580	\$ 76,062	\$ 77,572	\$ 79,110	\$ 80,676	\$ 88,949	\$ 98,003	\$ 107,900	\$ 118,707		
Total PPA Charges - All Meters	\$ 134,613	\$ 137,596	\$ 140,644	\$ 143,759	\$ 146,941	\$ 163,922	\$ 182,828	\$ 203,873	\$ 227,291		
Total Electricity Costs (PG&E+PPA Bills) - Generating Meters	\$ 64,695	\$ 66,874	\$ 69,130	\$ 71,465	\$ 73,882	\$ 87,311	\$ 103,290	\$ 122,317	\$ 144,987	\$ 1,810,390	\$ 2,488,394
Total Electricity Costs (PG&E+PPA Bills) - Benefiting Meters	\$ 318,501	\$ 329,131	\$ 340,126	\$ 351,500	\$ 363,266	\$ 428,476	\$ 505,770	\$ 597,429	\$ 706,172	\$ 8,376,633	\$ 12,182,568
New Total Cost of Electricity - All Meters	\$ 383,196	\$ 396,005	\$ 409,256	\$ 422,965	\$ 437,149	\$ 515,786	\$ 609,060	\$ 719,746	\$ 851,158	\$ 10,687,023	\$ 14,670,962
Total Customers Savings - Generating Meters	\$ 10,810	\$ 11,273	\$ 11,753	\$ 12,249	\$ 12,761	\$ 15,595	\$ 18,930	\$ 22,842	\$ 27,416	\$ 324,871	\$ 452,520
Total Customers Savings - Benefiting Meters	\$ 42,450	\$ 44,454	\$ 46,534	\$ 48,693	\$ 50,933	\$ 63,464	\$ 78,500	\$ 96,500	\$ 117,999	\$ 1,330,956	\$ 1,876,434
TOTAL SAVINGS AT ALL SITES	\$ 53,260	\$ 55,727	\$ 58,287	\$ 60,942	\$ 63,695	\$ 79,059	\$ 97,430	\$ 119,342	\$ 145,415	\$ 1,655,827	\$ 2,328,954
% Savings	12.7%	11%	12%	12%	12%	12%	13%	13%	14%		

NOTE: The financial projections above should be viewed as projections only. Actual savings are subject to a number of factors including, but not limited to, weather, actual site consumption, future changes in utility tariff schedules, and final system size and design. This reflects 20 yrs, system can operate up to 30 yrs.

Financial Savings Summary - 3.5% Utility Escalation Rate

CITY OF CORNING - 707 KW PG&E OPTIMAL SYSTEM A-6 - \$0.1170/kWh Solar PPA - 2.5% utility price increases

Pre-Solar	YR 1	YR 2	YR 3	YR 4	YR 5	YR 10	YR 15	YR 20	YR 25	20 YEAR TOTAL	25 YEAR TOTAL
Electricity Consumption (kWh) - Generating Account	546,326	546,326	546,326	546,326	546,326	546,326	546,326	546,326	546,326	10,926,510	13,658,138
Electricity Consumption (kWh) - Benefiting Accounts	2,687,442	2,687,442	2,687,442	2,687,442	2,687,442	2,687,442	2,687,442	2,687,442	2,687,442	53,748,835	67,186,044
Total Consumption (kWh)	3,233,767	64,675,345	80,844,181								
Electricity Costs (\$) - Generating Account	2.5% \$ 73,505	\$ 77,393	\$ 79,328	\$ 81,311	\$ 83,344	\$ 84,296	\$ 106,687	\$ 120,706	\$ 136,568	\$ 1,928,753	\$ 2,579,086
Electricity Costs (\$) - Benefiting Accounts	2.5% \$ 360,951	\$ 369,975	\$ 379,124	\$ 388,705	\$ 398,423	\$ 450,779	\$ 510,015	\$ 577,035	\$ 652,862	\$ 9,220,378	\$ 12,329,290
Total Cost of Electricity - All Meters	\$ 436,456	\$ 447,368	\$ 458,552	\$ 470,016	\$ 481,766	\$ 545,074	\$ 616,702	\$ 697,741	\$ 789,430	\$ 11,149,131	\$ 14,908,376
All meters switched to TDU rate structure											
New Electricity Costs (\$) - Generating Account	\$ 104,185	\$ 106,793	\$ 109,463	\$ 112,199	\$ 115,004	\$ 130,117	\$ 147,215	\$ 166,560	\$ 188,448	\$ 2,661,449	\$ 3,558,833
New Electricity Costs (\$) - Benefiting Accounts	\$ 361,816	\$ 370,862	\$ 380,133	\$ 389,637	\$ 399,378	\$ 451,859	\$ 511,237	\$ 578,418	\$ 654,417	\$ 9,242,474	\$ 12,358,937
Total Cost of Electricity - TDU Structure	\$ 466,004	\$ 477,655	\$ 489,596	\$ 501,836	\$ 514,382	\$ 581,976	\$ 658,452	\$ 744,978	\$ 842,874	\$ 11,903,924	\$ 15,917,669
System Production											
PPA Price (\$/kWh)	2.5% \$ 0.1170	\$ 0.1199	\$ 0.1229	\$ 0.1260	\$ 0.1291	\$ 0.1461	\$ 0.1653	\$ 0.1870	\$ 0.2116		
Solar System Production (kWh)	1,150,540	1,144,787	1,139,034	1,133,282	1,127,529	1,098,765	1,070,002	1,041,238	1,012,475	21,917,781	27,037,683
Annual Depreciation	0.50% 100%	99.50%	99.00%	98.50%	98.00%	95.50%	93.00%	90.50%	88.00%		
Solar Output as % of Consumption	36%	35%	35%	35%	35%	34%	33%	32%	31%		
RES-BCT Bill Credits											
Solar Electricity Consumed (kWh) at Generating Account	513,106	510,540	507,975	505,409	502,844	490,016	477,188	464,361	451,533	9,774,665	12,057,986
Electricity Exported (kWh) to Benefiting Accounts	637,434	634,247	631,060	627,872	624,685	608,749	592,814	576,878	560,942	12,143,116	14,979,697
Value of Solar to Generating Account	\$ 99,526	\$ 101,504	\$ 103,522	\$ 105,579	\$ 107,677	\$ 118,812	\$ 131,097	\$ 144,654	\$ 159,611	\$ 2,415,215	\$ 3,182,768
Value of Exported kWh to Benefiting Accounts	\$ 117,895	\$ 120,238	\$ 122,628	\$ 125,065	\$ 127,551	\$ 140,740	\$ 155,293	\$ 171,351	\$ 189,070	\$ 2,860,976	\$ 3,770,191
Post-Solar											
PG&E Electricity Costs (\$) - Generating Meter	\$ 4,662	\$ 5,289	\$ 5,941	\$ 6,620	\$ 7,327	\$ 11,305	\$ 16,118	\$ 21,907	\$ 28,836	\$ 246,234	\$ 376,065
PG&E Electricity Costs (\$) - Benefiting Meters	\$ 243,921	\$ 250,624	\$ 257,506	\$ 264,571	\$ 271,827	\$ 311,119	\$ 355,944	\$ 407,066	\$ 465,357	\$ 6,381,498	\$ 8,588,645
Total Cost of Electricity - All Meters	\$ 248,583	\$ 255,912	\$ 263,446	\$ 271,192	\$ 279,153	\$ 322,424	\$ 372,061	\$ 428,973	\$ 494,193		
PPA Charges at Generating Meters	\$ 60,033	\$ 61,534	\$ 63,073	\$ 64,649	\$ 66,266	\$ 74,973	\$ 84,826	\$ 95,972	\$ 108,584	\$ 1,533,532	\$ 2,050,606
PPA Charges at Benefiting Meters	\$ 74,580	\$ 76,062	\$ 77,572	\$ 79,110	\$ 80,676	\$ 88,949	\$ 98,003	\$ 107,900	\$ 118,707		
Total PPA Charges - All Meters	\$ 134,613	\$ 137,596	\$ 140,644	\$ 143,759	\$ 146,941	\$ 163,922	\$ 182,828	\$ 203,873	\$ 227,291		
Total Electricity Costs (PG&E+PPA Bills) - Generating Meter	\$ 64,695	\$ 66,823	\$ 69,014	\$ 71,269	\$ 73,582	\$ 86,278	\$ 100,943	\$ 117,879	\$ 137,420	\$ 1,779,766	\$ 2,426,671
Total Electricity Costs (PG&E+PPA Bills) - Benefiting Meters	\$ 318,501	\$ 326,686	\$ 335,077	\$ 343,681	\$ 352,502	\$ 400,067	\$ 453,946	\$ 514,967	\$ 584,064	\$ 8,188,330	\$ 10,967,023
New Total Cost of Electricity - All Meters	\$ 383,196	\$ 393,508	\$ 404,091	\$ 414,950	\$ 426,095	\$ 486,346	\$ 554,890	\$ 632,846	\$ 721,484	\$ 9,968,097	\$ 13,393,694
Total Customer Savings - Generating Meter	\$ 10,810	\$ 10,570	\$ 10,314	\$ 10,041	\$ 9,751	\$ 8,017	\$ 5,744	\$ 3,827	\$ (852)	\$ 148,986	\$ 152,416
Total Customer Savings - Benefiting Meters	\$ 42,450	\$ 43,290	\$ 44,147	\$ 45,024	\$ 45,920	\$ 50,711	\$ 56,068	\$ 62,068	\$ 68,798	\$ 1,032,047	\$ 1,362,267
TOTAL SAVINGS AT ALL SITES	\$ 53,260	\$ 53,859	\$ 54,461	\$ 55,065	\$ 55,672	\$ 58,728	\$ 61,812	\$ 64,895	\$ 67,946	\$ 1,181,034	\$ 1,514,683
% Savings	9.7%	11%	11%	11%	11%	10%	9%	9%	8%		

NOTE: The financial projections above should be viewed as projections only. Actual savings are subject to a number of factors including, but not limited to, weather, actual site consumption, future changes in utility tariff schedules, and final system size and design. This reflects 20 yrs, system can operate up to 30 yrs+.

Financial Savings Summary - 2.5% Utility Escalation Rate

How to Read the Bill Analysis

Electricity Consumption – Generating Account: Electricity (kWh) consumed at the WWTP.

Electricity Consumption – Benefiting Accounts: Electricity (kWh) consumed by all other City accounts.

Electricity Costs – Generating Account: Current electricity costs at WWTP.

Electricity Costs – Benefiting Accounts: Current electricity costs at all other City accounts.

All meters switched to TOU rate structure: As mandated by RES-BCT tariff, all benefiting accounts must be switched to TOU rate structures.

New Electricity Costs – Generating Account: Electricity costs at the WWTP after switch from E19S to A6 tariff and before solar is installed. Note that the City will never actually see this electricity bill, as solar will offset the majority of electricity costs at WWTP.

New Electricity Costs – Benefiting Accounts: Electricity costs after switching all City meters to TOU rate schedules. As the City has already moved most accounts to TOU schedules, the price increase will be minimal. Note this is before solar is installed and bill credits from solar have been applied to the meters.

PPA Price: Annual price per kWh as stipulated by PPA. PPA price is set to escalate at 2.5% annually.

Solar System Production: Annual production (kWh) from the 707 kW solar PV system.

Annual Degradation: The system production will degrade 0.5% annually.

Solar Output as % of Consumption: Percentage of solar offsetting the City's electricity consumption. Note that the system only offsets 36% of electricity consumption because the RES-BCT can only offset the generation component of the City's electrical bills.

Solar Electricity consumed (kWh) at Generating Account: The amount of solar production that is used to offset load at the WWTP.

Solar Electricity consumed (kWh) at Benefiting Accounts: The amount of solar production not used for onsite load, which is exported to the electric grid. The exported electricity (kWh) then creates bill credits which can be used to offset other City meters.

Value of Solar to Generating Account: Dollar value of the solar consumed at the WWTP account. Value of solar is based on time of day kWh is produced and tariff of the account.

Value of Solar to Benefiting Account: Dollar value of the bill credits, which will be applied to benefiting accounts, from the exported electricity. Value of bill credits is based on time of day kWh is produced and tariff of the generating account.

Post-Solar: All electricity costs after the installation of the 707 kWdc system.

PG&E Electricity Costs (\$) Generating/Benefiting Accounts: New PG&E electricity costs after installation of solar at the WWTP and the benefiting accounts.

PPA Charges at Generating Account: PPA price multiplied by solar electricity consumed at WWTP.

PPA Charges at Benefiting Account: PPA price multiplied by solar electricity exported to Benefiting Accounts.

Total Electricity Costs (PG&E + PPA Bills) – Generating Account: Total cost of electricity, including solar PPA costs and PG&E costs, after the installation of solar at the WWTP.

Total Electricity Costs (PG&E + PPA Bills) – Benefiting Account: Total cost of electricity, including solar PPA costs and PG&E costs, after the installation of solar for all City accounts.

Total Customers Savings: Original pre-solar electricity costs minus total electricity costs post-solar.

SECTION 6 – GOVERNMENT CODE SECTION 4217

Government Code Section 4217.10, et. seq

Government Code Section 4217.10 permits public agencies to enter into facility financing, ground lease and energy service contracts¹ with any company, corporation or joint venture to provide alternate energy supply sources. A special district is included under the definition of public agencies who may utilize this authority. (Gov. Code Section 4217.11(j)). Accordingly, the District may avail itself of the unique opportunity to build a renewable energy facility through a contract with Ecoplexus.

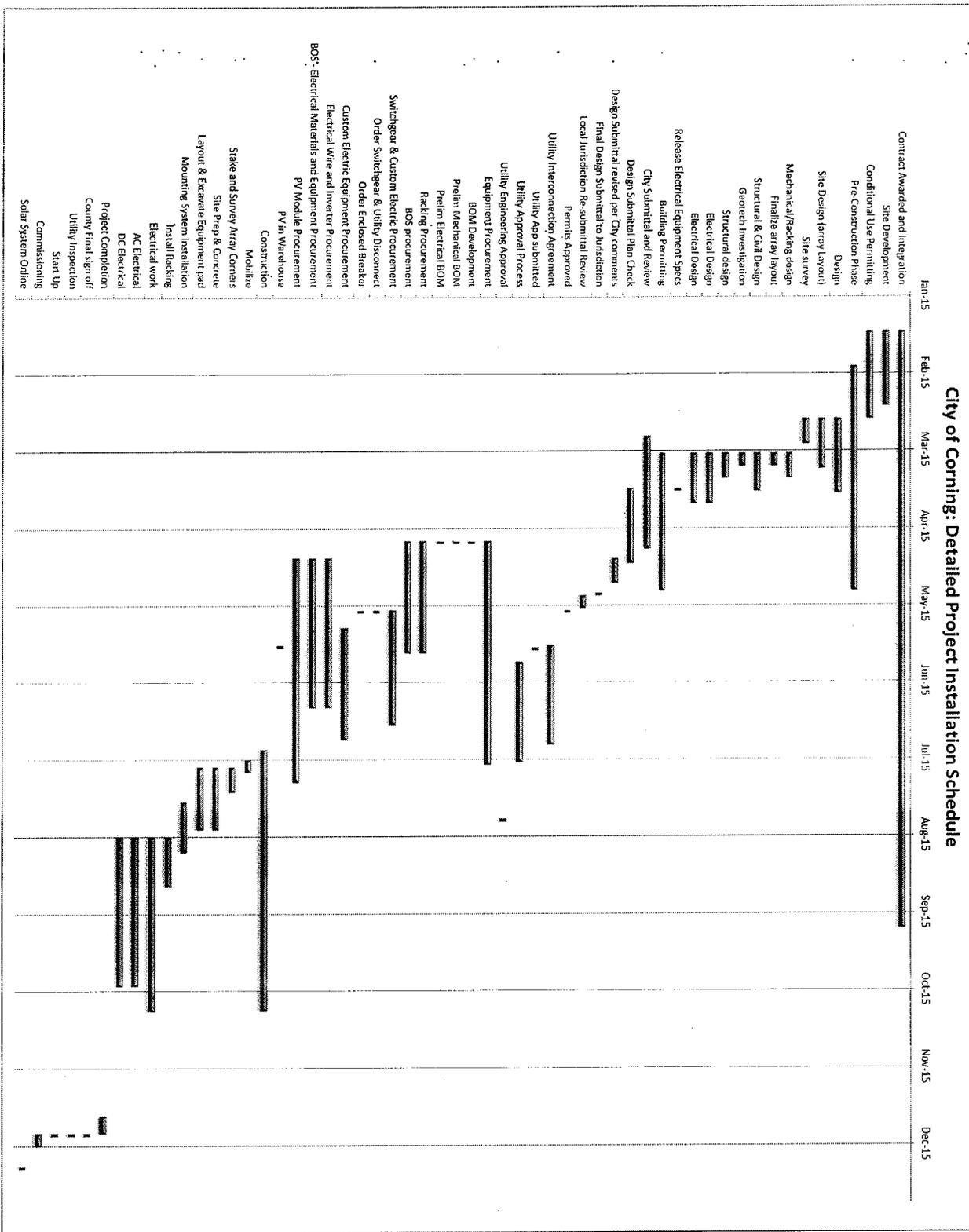
Section 4217.14 permits the District to, notwithstanding any other provision of law, enter into contracts for the sale of electricity, electrical generating capacity, or thermal energy produced by the energy conservation facility at such rates and on such terms as are approved by its governing body. Public agencies that use this Chapter to develop energy projects are exempt from the standard competitive bidding requirements used for public works projects.

Section 4217.16 specifically permits public agencies, such as the District, to award contracts on “the basis of the experience of the contractor, the type of technology employed by the contractor, the cost to the local agency, and any other relevant considerations.” Moreover, the provisions of this legislation are required to construed “to provide the greatest possible flexibility to public agencies in structuring agreements entered into hereunder so that economic benefits may be maximized and financing and other costs associated with the design and construction of alternate energy projects may be minimized.” (Section 4217.18)

Notes:

- 1) A PPA is considered an energy service contract.

SECTION 7 – PROPOSED SCHEDULE OF CONSTRUCTION



The example project timeline is for illustrative purposes only. Actual dates and timelines will be subject to a number of factors. Ecoplexus will collaborate with the City of Corning to develop a construction and development schedule that works for the City.

SECTION 8 – OPERATIONS, MAINTENANCE, AND MONITORING

Ecoplexus currently provides operations, management and monitoring services for thirty six (36) projects in California. Our O&M staff closely monitors system performance on a daily and real-time basis. Below is a list of O&M services provided.

Services Included (Only if Checked)	Service Description	Service Frequency /Response Time
✓	Maintenance & Testing of Electrical Power Distribution Equipment & Systems	Per ANSI/NETA MTS-2007 (or latest revision)
✓	Visual & mechanical inspection of Facility's general site conditions, PV arrays, electrical equipment, Mounting Structure, Data Acquisition Facility, and balance of system provided under EPC	1x per year
✓	STRING Testing, including string level open circuit voltage and dc operating current tests on all strings.	1x per 5 years or as required
✓	Switches & disconnects test	1x per year
✓	Infrared Scans on all combiner and re-combiner boxes	1x per 5 years
✓	Replacement for recalibration of Irradiance sensors	per manufacturer's instructions
✓	Inverter preventive maintenance	per manufacturer's operating guidelines & warranty
✓	Cleaning of Inverter Cabinet Air Vents	per manufacturer's operating guidelines & warranty
✓	Cleaning and Changing Inverter Air Filters	per manufacturer's operating guidelines & warranty
✓	Cleaning and Removing Dust From Inverter Heat Sinks	per manufacturer's operating guidelines & warranty
✓	Checking torque marks and Re-Tightening appropriate Wiring Connections To Design Specification Torque Force (Per manufacturer's guidelines)	per manufacturer's operating guidelines & warranty
✓	Tracker verification and preventive maintenance per manufacturer's operating guidelines	N/A
✓	Cleaning of PV Array Modules	1x Per Year
✓	Contractor must provide System Owner with Annual Service Plan	Annual Service Plan within 10 business days following C.O.D. and no later than 10 business days prior to the anniversary of

		COD of every contract year.
✓	Provide Written Maintenance Report	Within five (5) business days of performing maintenance services
✓	Dispatch resources in response to alarms, alerts, alarms and service requests. Dispatch resources in response to emergency alarms, alerts, alarms and service requests. Emergency: defined as any event resulting in a complete plant shutdown Alarm: defined as inverter shutdown. Alert/service requests: defined as any indication of power loss while inverter is in service.	Emergency <1Hour alarm <2 business hours alert < 1 business day service request <1 business day
✓	Dispatch inverter service personnel per service agreement	upon occurrence
✓	Diagnose all system issues, perform all warranty repairs covered under Facility installation agreement. Following repair, provide written report detailing time of event, time of notification, time of arrival on site, time of restoration, problem found, actions taken and list of any parts used.	upon occurrence
✓	Diagnose all system issues, report non-warranty repairs and billing for approval	upon occurrence
✓	Maintain an active inventory list of all components with serial numbers including solar modules and any ongoing replacements	ONGOING
✓	Maintain basic spare parts – fuses, meter, pyranometer	As directed by Owner at Owners cost
✓	Provide Owner with a Annual Call Out Schedule, to include Name(s) of designated On Call Technician(s), contact information for designated On Call Technician	Annual

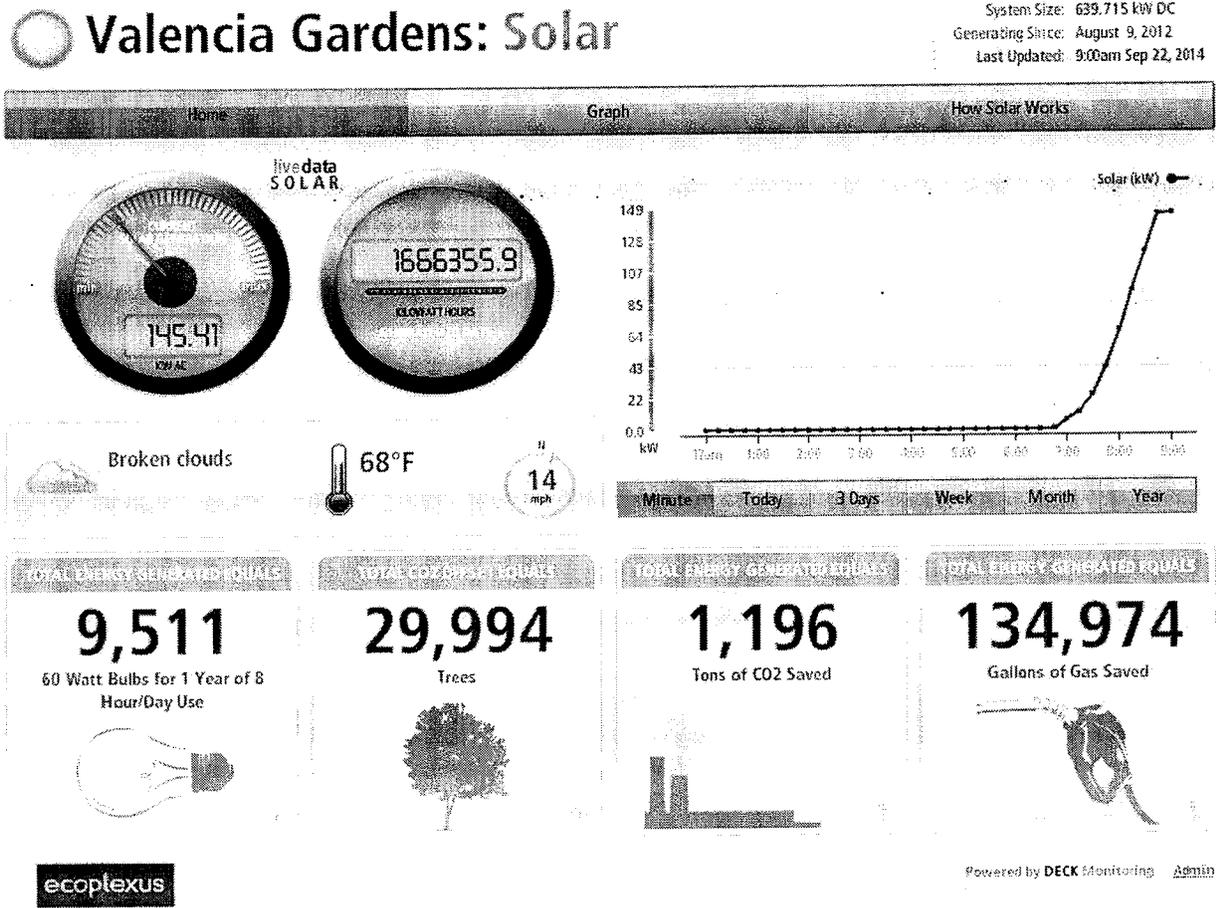
*All times and frequencies shall refer to regular business hours (M-F 8am-5pm local time except on national holidays)

Ecoplexus utilizes detailed system performance monitoring, provided by Draker Laboratories or Deck Monitoring, to identify any system problems or equipment failures. The monitoring system will provide revenue grade monitoring of system performance and availability, average and accumulated output, capacity factor, and degradation. Any drops in production, facility outages, inverter errors or any other problems will trigger alarms, which allow for the fastest possible response time. Ecoplexus currently provides operations, management and monitoring services for thirty six (36) projects in California, and O&M staff closely monitors system performance on a daily and real-time basis.

The monitoring solutions are customized to each site and can include monitoring granularity down to the string. For the Tempe projects, Ecoplexus proposes string level monitoring instead of monitor level monitoring. String level monitoring is significantly more cost-effective than module-level monitoring and provides granular enough detail to identify system problems.

The monitoring system will also provide a public online dashboard to allow public access as well as the opportunity to set up a kiosk at the facility to provide general education about the benefits of solar.

Image 11. Example Public Online Solar Monitoring Dashboard



Solar Power Purchase Agreement

Between the

City of Corning, CA

And

Fresh Air Energy XXVI, LLC

AGREEMENT

This agreement (“Agreement” or “PPA”), by and between City of Corning (hereafter referred to as “Buyer”) and Fresh Air Energy XXVI, LLC. (hereafter referred to as “Seller”) is effective _____, 2014 (“Effective Date”). Fresh Air Energy – XXVI, LLC is a special purpose entity established by, and as of the Effective Date, wholly-owned by EcoPlexus, Inc.

RECITALS

- A. Buyer wishes to meet its power requirements cost effectively, efficiently and in an environmentally-friendly manner;
- B. Seller is in the business of designing, constructing and operating solar photovoltaic (“PV”) electric generating systems for the purpose of selling power generated by the systems to its customers;
- C. Buyer has selected Seller to design, construct, own and operate a solar PV system to be located on its property subject to the terms, conditions, covenants and provisions set forth herein;
- D. Seller intends to construct, own, and operate renewable energy-powered generating facilities and desires to sell electricity produced by such generating facilities together with other attributes to Buyer pursuant to the terms, conditions, covenants and provisions set forth herein;
- E. Buyer desires to purchase electricity generated by Seller’s generating facility, together with all Environmental Attributes pursuant to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual promises contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1: DEFINITIONS

References in the Agreement to the terms or phrases below shall have the meanings as set forth in this Article. In the event of a conflict between the information in this Article and any more specific provision of the Agreement, the more specific provision shall control.

- 1.1 “Adjusted Delivered Energy” means the sum of (i) the Delivered Energy from the Generating Facility and (ii) any Energy that would have been delivered if the Seller had not been directed by the Buyer to reduce the Delivered Energy from the Generating Facility.
- 1.2 “Affiliate” means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by such specified Person.
- 1.3 “Agreement” has the meaning set forth in the preamble of this Agreement.
- 1.4 “Annual Escalation Adjustment” means the (2.5 %) increase to be applied commencing on the first anniversary date of the Commercial Operation Date, and every anniversary date thereafter during the Term, as described in Exhibit 3 [Base Contract Price].
- 1.5 “Business Day” means a normal working day excluding weekends and holidays.
- 1.6 “Base Contract Price” means the price in \$U.S. per kWh to be paid by Buyer to Seller for the purchase of the Adjusted Delivered Energy, as specified in Article 4 and Exhibit 3 [Base Contract Price].
- 1.7 “Buyout Option” or “Purchase Option” means the option that Seller grants to Buyer pursuant to Article 2.3 to terminate this Agreement and purchase a Generating Facility.
- 1.8 “California Solar Initiative” means the program providing ratepayer funded incentives for eligible solar energy systems adopted by the PUC and implemented through Chapter 8.8 (commencing with Section 25780) to Division 15 of the California Public Utilities Code.
- 1.9 “Commercial Operation” means that: (i) the Generating Facilities have been constructed in accordance with Prudent Industry Practice, all Permits, Requirements of Law, the specifications set forth in Exhibit 1 [Description of Generating Facilities] and Exhibit 10 [Design and Construction Requirements] and (ii) Seller has successfully completed the Commissioning Tests.
- 1.10 “Commissioning Tests” means the tests set forth in Section 7.9.
- 1.11 “Commercial Operation Date” means the date on which Commercial Operation first occurs and the Generating Facilities commence generating electricity for sale to the Buyer at the Project Sites.

- 1.12 “Contract Capacity” means the maximum instantaneous Output of the Generating Facility in kilowatts measured at the Delivery Point.
- 1.13 “Contract Year” means each year beginning on January 1st and ending on December 31st of such year following the Commercial Operation Date; provided, however, that the first Contract Year shall commence on the Commercial Operation Date and end on the following December 31st, and the last Contract Year shall end on the relevant anniversary of the Commercial Operation Date as set forth in Section 2.2.
- 1.14 “CSI Reservation Expiration Date” means the date by which the Generating Facility must have received permission to operate from PG&E, as set by the California Solar Initiative in order to maintain current rebate reservation levels for the specific Generating Facility.
- 1.15 “Days” unless otherwise specified, shall mean calendar days.
- 1.16 “Delivered Energy” means the amount of Energy delivered by Seller as recorded by Seller’s Meters.
- 1.17 “Delivery Point” means the metering point at the high side of the transformer for each Generating Facility.
- 1.18 “EA Agency” means any local, state or federal entity, or any other Person, that has responsibility for or jurisdiction over a program involving transferability of Environmental Attributes, including the Clean Air Markets Division of the United States Environmental Protection Agency, the California Resources, Conservation and Development Commission, the California Public Utilities Commission, and any successor agency thereto.
- 1.19 “Energy” means the electricity generated by each Generating Facility pursuant to this Agreement, as expressed in units of kWh.
- 1.20 “Environmental Attributes” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Generating Facilities, and its displacement of conventional energy generation. Environmental Attributes including but not limited to: (i) any avoided emissions of pollutants to the air, soil or water such as sulfur oxides (Sox), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (ii) any avoided emissions of carbon dioxide (CO₂), methane (CH₄) and other greenhouse gases that have been determined by the United Nations Intergovernmental Panel on Climate Change to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere; and (iii) the reporting rights to these avoided emissions such as Green Tag Reporting Rights.

- 1.21 “Environmental Attributes Reporting Rights” means all rights to report ownership of the Environmental Attributes to any Person, including under the Energy Policy Act of 1992, and any regulations promulgated thereof.
- 1.22 “Environmental Laws” shall mean and include all federal, state and local laws, statutes, ordinances, regulations, resolutions, decrees and/or rules now or hereinafter in effect, as may be amended from time to time, and all implementing regulations, directives, orders, guidelines, and federal or state court decisions, interpreting, relating to, regulating or imposing liability (including, but not limited to, response, removal, remediation and damage costs) or standards of conduct or performance relating to industrial hygiene, occupational health, and/or safety conditions, environmental conditions, or exposure to, contamination by, or clean-up of, any and all Hazardous Materials, including without limitation, all federal or state superlien or environmental clean-up statutes.
- 1.23 “Escalation Rate” means the percentage by which the Base Contract Price will increase annually upon the anniversary of the Commercial Operation Date.
- 1.24 “Expected Annual Contract Quantity” means the amount of Delivered Energy and Environmental Attributes that Seller expects to deliver to Buyer hereunder in a given Contract Year other than the first and last Contract Years (which may be partial years and therefore subject to a pro-rata adjustment), as set forth in Exhibit 4 [Expected Contract Quantity Form].
- 1.25 “Expected Commercial Operation Date” means the date on which the Parties expect the Generating Facilities to achieve Commercial Operation, established in accordance with Section 3.7.
- 1.26 “Fair Market Value” means the value a nationally recognized independent, third-party professional appraiser with experience and expertise in the solar photovoltaic industry would determine a photovoltaic system to have when negotiated in an arm’s-length, free market transaction between an informed, willing seller and an informed, willing buyer, neither of whom is under compulsion to complete the transaction. Fair Market Value of the system will be determined pursuant to Section 2.4.
- 1.27 “Financing Party” means, as applicable (i) any Person (or its agent) from whom Seller (or an Affiliate of Seller) leases the Generating Facility, or (ii) any Person (or its agent) who has made or will make a loan to or otherwise provide financing to Seller (or an Affiliate of Provider) with respect to the Generating Facility.
- 1.28 “Force Majeure Event” has the meaning set forth in Article 8.
- 1.29 “Generating Facilities” means Seller’s electricity generating facilities as more particularly described in Exhibit 1 [Description of Generating Facilities], excluding the Sites, land rights, and interests in land.

- 1.30 “Governmental Authority” means any federal or state government, or political subdivision thereof, including, any municipality, township or county, or any entity or authority exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including, any corporation or other entity owned or controlled by any of the foregoing.
- 1.31 “Green Tag Reporting Rights” are the right of a Green Tag purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green tag purchaser’s discretion, and include those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. “Green Tags” are accumulated on MWh basis and one Green Tag represents the Environmental Attributes associated with one (1) MWh of Energy.
- 1.32 “Hazardous Substances” shall mean any and all (a) substances, products, by-products, waste, or other materials of any nature or kind whatsoever which is or becomes listed, regulated or addressed under any Environmental Laws, and (b) any materials, substances, products, by-products, waste, or other materials of any nature or kind whatsoever whose presence in and of itself or in combination with other materials, substances, products, by-products, or waste may give rise to liability under any Environmental Law or any statutory or common law theory based on negligence, trespass, intentional tort, nuisance, strict or absolute liability or under any reported decisions of any state or federal court; and (c) any substance, product, by-product, waste or any other material which may be hazardous or harmful to the air, water, soil, environment or affect industrial hygiene, occupational health, safety and/or general welfare conditions, including without limitation, petroleum and/or asbestos materials, products, by-products, or waste.
- 1.33 “Interconnection” means the interconnection of the Generating Facilities with the Transmission System, including construction, installation, operation, and maintenance of all Interconnection Facilities.
- 1.34 “Interconnection Agreement” means the agreement between Seller, the Transmission Provider, and if applicable, the ISO which sets forth the terms and conditions for Interconnection of the Generating Facilities to the Transmission System, as amended from time to time.
- 1.35 “Interconnection Facilities” means all of the facilities installed for the purpose of interconnecting the Generating Facilities to the Transmission System, including transformers and associated equipment, relay and switching equipment and safety equipment.
- 1.36 “Interest Rate” means the interest rate applicable for refunds calculated pursuant to 18 C.F.R. Section 35.19a of the FERC Regulations, as that section may be

amended or superseded from time to time. The monthly Interest Rate shall be prorated by days from the date a payment is due until the date a payment is received.

- 1.37 "Investment Tax Credit" or "ITC" means the energy credit under Section 48 of the Internal Revenue Code
- 1.38 "kWh" means one kilowatt of electricity supplied for one hour.
- 1.39 "Lender(s)" means any Person(s) extending credit to Seller to finance the construction of the Generating Facilities.
- 1.40 "Material Change," in the context of a Generating Facilities, means a change which significantly changes the size, weight, generating capacity, technology or the footprint of the Generating Facilities.
- 1.41 "Mechanical Completion" means when (i) installation of all necessary components and systems of the Generating Facilities (except for completion of painting, final grading, and similar portions of the construction work not affecting the operability, safety, or mechanical and electrical integrity of the Generating Facilities) has been completed; (ii) the Generating Facilities are mechanically and electrically sound; and (iii) the Generating Facilities are ready for initial operation, adjustment, and testing.
- 1.42 "Meter" or "Meters" means the physical metering devices, data processing equipment and apparatus associated with the meters owned by Seller or Transmission Provider or its designee, and used to determine the quantities of Energy generated by each Generating Facility and to record other related parameters required for the reporting of data to Seller.
- 1.40 "Monitoring System" means physical devices, data processing equipment and apparatus associated with real-time monitoring of the quantities and quality of Energy generated by each Generating Facility and complying with all requirements of Article 4. The Monitoring System shall meet or exceed PG&E monitoring and reporting standards.
- 1.43 "MW" means one megawatt of electric Energy.
- 1.44 "MWh" means one megawatt of electricity supplied for one hour.
- 1.45 "Option Price" has the meaning set forth in Section 2.3.
- 1.46 "Notice to Proceed" means written authorization, not to be unreasonably withheld, from Seller to commence construction of the Generating Facility at the Site.
- 1.47 "Outage" means a physical state in which all or a portion of the Generating Facilities is unavailable to provide Energy to the Delivery Point, including any

reduction in the capacity of the Generating Facilities, and including tilting the photovoltaic panels away from the configuration set forth in the most recent approved as built drawings, whether planned or unplanned.

- 1.48 "Output" means (i) the Contract Capacity, or (ii) associated Energy produced by Generating Facility, as applicable.
- 1.49 "Parties" means Buyer and Seller, and each such Party's respective successors and permitted assignees.
- 1.50 "Party" means Buyer or Seller, and each such Party's respective successors and permitted assignees.
- 1.51 "Permits" means, collectively, all federal, state or local authorizations, certificates, permits, licenses, and approvals required by any Governmental Authority for the construction, ownership, operation and maintenance of the Generating Facilities.
- 1.52 "Person" means an individual, a corporation, a partnership, a joint venture or any other form of business association.
- 1.53 "PG&E" means the Pacific Gas and Electric Company.
- 1.54 "Preliminary Requirements" has the meaning set forth in Article 3.
- 1.55 "Project Site(s)" or "Sites" means the real property, on which the Generating Facilities are to be built and located.
- 1.56 "Prudent Industry Practice" means those practices, methods and equipment, as changed from time to time, that: (i) when engaged in, or employed, are commonly used in the State of California in prudent electrical engineering and operations to operate electricity equipment lawfully and with safety, reliability, efficiency and expedition; or (ii) in the exercise of reasonable judgment considering the facts known, when engaged in could have been expected to achieve the desired result consistent with applicable law, safety, reliability, efficiency, and expedition. Prudent Industry Practices are not limited to an optimum practice, method, selection of equipment or act, but rather are a range of acceptable practices, methods, selections of equipment or acts.
- 1.57 "Renewable Energy Credit" has the meaning set forth in California Public Utilities Code section 399.12(h) as may be amended from time to time or as further defined or supplemented by applicable law.
- 1.58 "Replacement Price" shall mean, at Buyer's sole discretion, the price at which Buyer, acting in a commercially reasonable manner, purchased or purchases a replacement for any Adjusted Delivered Energy required to be, but not delivered by Seller hereunder, plus costs reasonably incurred by Buyer in purchasing such

substitute electricity, and additional transmission and distribution charges, if any, reasonably incurred by Buyer, to the Delivery Point.

- 1.59 “Requirements of Law” means, collectively, any federal or state law, treaty, franchise, rule, regulation, order, writ, judgment, injunction, decree, award or determination of any arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon Seller or Buyer or any of their property or to which Seller or Buyer or any of their respective properties are subject.
- 1.60 “Schedule” “Scheduled” or “Scheduling” means the actions of Seller, Buyer and or their designated representatives, including each Party’s Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity of Energy to be delivered for each interval on any given day on which the delivery of Energy is scheduled to occur during the Term at the Delivery Point.
- 1.61 “Section 1603 Grant” means applicable United States Treasury Grant available to taxable owners of renewable energy generating facilities.
- 1.62 “Seller” means Fresh Air Energy – XXVI, LLC, the entity that has executed this Agreement as of the date hereof. Seller shall have the meaning set forth in the preamble. For purposes of access rights and other rights necessary for Seller to perform its obligations hereunder, the term “Seller” shall include Seller’s authorized agents, contractors and subcontractors. The term “Contractor” may be used in place of the term “Seller.”
- 1.63 “Seller Address” means: 650 Townsend Street, Ste. 310, San Francisco, CA 94103.
- 1.64 “Seller’s Project Management Team” means individuals identified by Seller as responsible for oversight and contract management of all phases of project design/build, operations, maintenance, verification and billing account management.
- 1.65 “Sites” has the same meaning as “Project Sites.”
- 1.66 “Taxes” means any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property (including assessments, fees or other charges based on the use or ownership of real property), personal property, transactional, sales, use, transfer, registration, value added, alternative or add on minimum, estimated tax, or other tax of any kind whatsoever, or any liability for unclaimed property or escheatment under common law principles, including any interest, penalty or addition thereto, whether disputed or not, including any item for which liability arises as a transferee or successor-in-interest.

- 1.67 "Term" has the meaning set forth in Article 2.
- 1.68 "Transmission Provider" means any entity or entities responsible for the interconnection of each Generating Facility (e.g. PG&E) with a Control Area or distributing or transmitting Energy on behalf of Seller from each Generating Facility to the Delivery Point, and on behalf of the Buyer from the Delivery Point.
- 1.69 "Transmission Provider Tariffs" means the duly authorized tariff, rules, schedules, protocols and other requirements of the Transmission Provider, as these may be amended from time to time.
- 1.70 "Transmission System" means the facilities used for the distribution and transmission of electricity, including any modifications or upgrades made to such facilities, owned or operated by the Transmission Provider.
- 1.71 "Utility Rate Schedule" means the applicable PG&E tariff for the specific Project Site.
- 1.72 "WREGIS" means the Western Renewable Energy Generation Information System or any successor renewable energy tracking program.

ARTICLE 2: TERM

2.1 Term:

The term of the Agreement shall commence on the Effective Date and shall continue for twenty (20) years from the Commercial Operation Date of the applicable Generating Facility ("Initial Term"), unless and until terminated earlier pursuant to the provisions of the Agreement. After the Initial Term, the Agreement may renew for additional five year terms ("Renewal Terms"), if a written request for renewal is given by the Buyer at least one hundred eighty (180) days prior to the expiration of the Initial Term. The Parties shall confer and agree on a schedule for the Price, Escalation Rate, the Expected Annual Contract Quantity and termination and amendment procedure for any Renewal Term. The remainder of the terms and conditions shall remain substantially the same for the Renewal Term as for the Initial Term. If Seller consents to renewal, it shall provide written notice of consent to the renewal within sixty (60) days of the date of the request by Buyer. If consent by Seller is not provided within such sixty (60) day period, the Agreement shall expire as of the last day of the Initial Term. No later than 60 days after Seller provides such consent, Buyer shall confirm to Seller in writing of its intent to proceed with its option to renew. In the event Buyer does not provide such confirmation, the Agreement shall expire as of the last day of the Initial Term. Upon expiration of the Initial or Renewal Term, Seller shall cause the applicable Generating Facility to be removed from the Buyer's Sites pursuant to Article 9.

2.2 This Agreement (including all terms and conditions) shall apply to each Generating Facility described in Exhibit 1 as if separately executed for each such Generating Facility.

2.3 Purchase Option.

After the ten (10) year anniversary of the Effective Date, so long as a Buyer Event of Default as defined in Section 11.2 shall not have occurred and be continuing, Buyer has the option to purchase the Generating Facility for a purchase price (the "Option Price") equal to the Fair Market Value of the Generating Facility, which will take into account all project agreements associated with the Generating Facility (including this Agreement), at the date of the purchase. The parties are not bound to any valuation methodology to determine the Fair Market Value which may be determined by an industry-standard methodology, e.g. comparable sales, income approach, etc. To exercise its Purchase Option, Buyer shall, not less than one hundred and eighty (180) days prior to the proposed purchase date ("Purchase Date"), provide written notice to Seller of Buyer's intent to exercise its option to purchase the Generating Facility on such Purchase Date. Within thirty (30) days of receipt of Buyer's notice, Seller shall specify the Option Price, and Buyer shall then have a period of sixty (60) days after notification to confirm or retract its decision to exercise the Purchase Option or to dispute the determination of the Fair Market Value of the Generating Facility. In the event Buyer confirms its exercise of the Purchase Option in writing to Seller (whether before or after any determination of the Fair Market Value determined pursuant to Section 2.4), (i) the Parties shall promptly execute all documents necessary to (A) cause title to the Generating Facility to pass to Buyer on the Purchase Date, free and clear of any Liens, and (B) assign all vendor warranties for the Generating Facility to Buyer, and (ii) Buyer shall pay the Option Price to Seller on the Purchase Date, such payment to be made in accordance with any previous written instructions delivered to Buyer by Seller or Seller's Financing Party, as applicable, for payments under the Agreement. Upon execution of the documents and payment of the Option Price, in each case as described in the preceding sentence, the Agreement shall terminate automatically. In the event Buyer retracts its exercise of, or does not timely confirm, the Purchase Option, the provisions of the Agreement shall be applicable as if the Buyer had not exercised any option to purchase the Generating Facility.

2.4 Determination of Fair Market Value.

If Buyer disputes Seller's Option Price as not reflecting the Fair Market Value of the Generating Facility, then, within thirty (30) days of receipt of notification of the Option Price from Seller, the Parties shall mutually select an independent appraiser with experience and expertise in the solar photovoltaic industry. Such appraiser shall act reasonably and in good faith to determine Fair Market Value and shall provide such determination in a written opinion delivered to the Parties. The valuation determined by the appraiser shall be binding upon the Parties in the absence of fraud or manifest error. The determination of Fair Market Value by the independent appraiser shall not create an obligation on the part of the Buyer to purchase the applicable Generating Facility. The Parties shall equally share such appraisal costs.

2.5 Seller's Option to Terminate Prior to Installation. In the event that Seller is unable to obtain financing for the Generating Facilities at the prices in this Agreement within six

(6) months after the Effective Date, Seller may (at its sole discretion) terminate the Agreement, in which case neither party shall have any liability to the other.

2.6 Seller Obligations for Termination Prior to Installation

- (a) Remediation: If Seller exercises its rights found in section 2.6 with regard to a specific Generating Facility, Seller shall take all actions necessary to return the Buyer's site where the applicable Generating Facility was to be installed to the condition the Seller first encountered it in at Seller's own cost.
- (b) In the event Seller exercises its rights to terminate pursuant to section 2.6 with regard to a specific Generating Facility, Seller will also provide to Buyer, within five (5) Business Days, all analysis, designs, structural evaluations and any other work product related to such Generating Facility. Such materials and work product will be provided by Seller to Buyer at no cost to Buyer.

ARTICLE 3: ENGINEERING AND CONSTRUCTION REQUIREMENTS

- 3.1 All elements of engineering and construction of Generating Facilities are Seller's responsibility.
- 3.2 Seller shall provide services as described herein and pursuant to Exhibit 10 – Design and Construction Requirements.
- 3.3 Within six (6) months of signing the Agreement, Seller and Buyer shall establish mutually agreeable milestones with the Buyer to complete all Work in this Agreement, unless extended upon mutual agreement of the parties.
- 3.4 Seller shall provide bi-weekly status reports throughout this phase, as well as any additional briefing requested by Buyer.
- 3.5 Seller will create, maintain and provide to Buyer, minutes of meetings between Buyer's representatives and Seller's Project Management Team.
- 3.6 CEQA Compliance
 - (a) Compliance with the California Environmental Quality Act ("CEQA"), Pub. Res. Code § 21000 *et seq.*, is a condition precedent to the Buyer's obligations under this Agreement. The Seller shall not have any right to install the Generating Facilities until the Buyer has fully complied with CEQA and issued a Notice to Proceed to Seller. Buyer agrees to begin the initial analysis within ten (10) days after the Effective Date of this Agreement. If that analysis indicates that an exemption or a negative declaration will suffice, then Buyer will proceed to complete the exemption or-negative declaration in accordance with applicable law. Seller shall promptly reimburse Buyer for Buyer costs, up to but not exceeding \$3,000 per site for negative declaration, and \$250 for exemption letter per site, for such analysis and completion of exemption or negative declaration no

later than 30 days after Buyer sends invoice for same to Seller. Seller shall promptly proceed to perform its obligations under this Agreement. If Buyer determines that the costs for such analysis and completion of exemption or negative declaration for each applicable Generating Facilities shall exceed the stated maximum amount eligible for reimbursement, it shall notify Seller in advance prior to expending more than the maximum amount and state in writing the additional costs Buyer reasonably expects to incur for such analysis and completion of exemption or negative declaration for each applicable Generating Facilities. Seller may, in its sole discretion, agree to pay Buyer additional sums to defray such costs. If Seller does not agree to do so within thirty (30) days of receipt of Buyer's written notification of such additional costs, then the Agreement shall terminate as to the applicable Generating Facility, and neither Party shall have any liability to the other Party (other than any such liabilities that have accrued prior to such termination).

- (b) If the Buyer reasonably determines that a mitigated negative declaration ("MND") or environmental impact report ("EIR") is required to comply with CEQA, then Buyer shall promptly provide Seller with a written statement detailing the reasons that Buyer believes that an MND or EIR is required; to comply with CEQA for the applicable Generating Facility and the estimated cost to comply with CEQA for the applicable Generating Facility. Unless within thirty (30) days of receipt of Buyer's written statement, Seller issues Buyer a written statement signed by an authorized representative of Seller agreeing to pay for all of the estimated cost to comply with CEQA for the applicable Generating Facility and agreeing to proceed with MND or EIR; then this Agreement will terminate as to the applicable Generating Facility, and neither Party shall have any liability to the other Party (other than any such liabilities that have accrued prior to such termination).

3.7 Engineering - Design Phase

- (a) Within sixty (60) days of the Effective Date, Buyer shall provide Seller with all applicable, and to the extent available, blueprints, plans, and structural reports for each Project Site. Within thirty (30) days of receiving such reports, Seller will provide Buyer with a report demonstrating that the Generating Facility proposed for a Project Site can meet the structural support and weight standards that Buyer reported to Seller. Within ninety (90) days of the Effective Date, Seller shall provide written notices to Buyer that the Site(s) is/are adequate for purposes of proceeding with construction of the Generating Facilities ("Notice(s) of Site Acceptance.") Buyer shall thereafter provide a Notice to Proceed with construction upon reasonable determination that the preliminary requirements described herein have been complied with. Seller shall proceed with all activities necessary to allow commencement of the construction phase, including completing the Preliminary Requirements (as set forth below). Upon completion of the Preliminary Requirements phase, Seller shall proceed with the installation & construction phase.

(b) Preliminary Requirements:

- (i) Prior to the execution of the Power Purchase Agreement, the Seller must comply with the Design Phase Insurance Requirements included in Exhibit 6.
- (ii) Seller must comply with all requirements set forth in Exhibit 10 [Design and Construction Requirements].
- (iii) Within two months of the Effective Date:
 - 1. Seller shall execute the Site License for each site substantially in the form in which it has been authorized and drafted by the Buyer;
 - 2. Seller shall notify the Buyer in writing of the Expected Commercial Operation Date. Such Expected Commercial Operation Date shall be no later than the earlier of (1) the applicable Generating Facility's CSI Reservation Expiration date including approved extensions and (2) fifteen (15) months from the Effective Date;
 - 3. Seller shall provide Buyer with a project plan and milestone schedule for approval such that the Expected Commercial Operation date may be achieved and that all design standards specified in the Agreement are met or exceeded. This project plan shall be subject to approval by the Buyer and may be amended by Buyer. Seller shall create a revised project plan upon Buyer's request.
- (iv) Within six (6) calendar months from the Effective Date:
 - 1. Seller must have submitted to Buyer for approval the final 100% detailed engineering drawings and specifications for the Generating Facilities.
 - 2. Seller must have obtained a financing commitment for construction of the Generating Facilities and submitted satisfactory proof thereof to the Buyer. If the financing commitment is conditioned on any assignment to the Lender of an interest in this Agreement or the Site License(s), Seller shall also submit satisfactory proof to Buyer that the assignee meets all requirements of this Agreement, and agrees to comply, without modification, with the terms and condition of this Agreement and the Site Licenses.
- (iv) Within the earlier of the CSI Reservation Expiration date including approved extensions or fifteen (15) calendar months from the Effective Date, Seller must have obtained from the Transmission Provider Permission to Operate (PTO) Letter for each Site.

- (c) Failure to Complete the Preliminary Requirements by the deadline: If Seller fails to complete the Preliminary Requirements in conformance with the timeline above, following thirty (30) days for Seller to cure each separate Preliminary Requirement, Buyer may terminate this Agreement without penalty, liability or expense of any kind to Buyer by providing to Seller a written notice of termination after the deadline for completion of the Preliminary Requirements. The Buyer may extend deadlines at its option.

3.8 Construction Phase:

- (a) Prior to the commencement of construction, the Seller must comply with the Insurance Requirements for construction phase included in Exhibit 6.
- (b) Seller must comply with all requirements set forth in Exhibit 10 [Design & Construction Requirements].
- (c) Seller shall provide to Buyer an Installation & Construction plan that shall include, at a minimum, the following:
 - (i) Detailed array layout with stringing configuration
 - (ii) Mounting and racking details
 - (iii) Details of electrical transmission showing conduit routing and location of electrical enclosures, conduit support details, and enclosure mounting details
 - (iv) Electrical single line diagram
 - (v) Electrical three line diagram
 - (vi) Monitoring plan
 - (vii) Construction project plan with timeline
 - (viii) Certification by Seller that the design complies with all applicable laws, codes and regulations of all governmental jurisdictions
- (d) Seller shall cause the Generating Facilities to be designed, installed and constructed in accordance with the California Building Code, with the laws and regulations of all governmental authorities with jurisdiction, with all requirements of the Agreement and pursuant to the final approved project design, and at Seller's sole cost. Upon completion of construction of the Generating Facilities, Seller shall be responsible for verifying Generating Facilities' performance on an ongoing basis.
- (e) Minimum Standards: Seller shall ensure that minimum design standards are followed, including;

- (i) All power generation and transmission equipment shall be UL listed for its use
- (ii) Generating Facility must meet all regulatory and environmental requirements including but not necessarily limited to PG&E, CSI, CPUC, Fire Marshall, UL, UBC, and CEQA.
- (iii) Requirements of Material
 1. Fasteners and hardware throughout Generating Facilities shall be stainless steel, galvanized steel, or material of equivalent corrosion resistance
 2. Racking components shall be anodized aluminum, galvanized steel, or material of equivalent corrosion resistance
 3. Unprotected steel shall not to be used in any components. For example, carport columns and beams must be primed and painted.
- (iv) All conductors exposed to direct sunlight must be UV rated. Conductors that are not UV rated must be installed so that they are concealed in conduits to prevent direct sunlight exposure.
- (v) Seller shall be responsible for protection of Buyer's property pursuant to Exhibit 10 [Design and Construction Requirements Exhibit].
- (vi) A Monitoring System shall be included for each Generating Facility.

ARTICLE 4: DELIVERY OF POWER, METERING & MONITORING

4.1 Purchase & Sale

- (a) Commencing on the Commercial Operation Date and continuing throughout the Term, Seller shall sell and deliver at the Delivery Point, and Buyer shall purchase and accept from Seller at the Delivery Point, and pay for, the Adjusted Delivered Energy as follows:

Adjusted Delivered Energy multiplied by the Base Contract Price as per Exhibit 3.

Seller shall only Schedule and deliver Energy and Environmental Attributes from the Generating Facilities.

The Output represents a package of services and benefits including reduction in the Buyer's peak demand from PG&E.

- (b) Annual Escalation Adjustment. Commencing on the first anniversary date of the Commercial Operation Date, and every anniversary date thereafter during the Term, the applicable Base Contract Price shall be escalated to reflect the Annual Escalation Adjustment as set forth in Exhibit 3- Base Contract Price.
- (c) Meters
 - (i) The transfer of Energy from Seller to Buyer shall be measured by Meters at the Delivery Point, which are selected, provided, installed, owned, maintained, programmed and operated, at the Seller's sole cost and expense, by Seller or its designee. Meters and all metering activities shall comply with all applicable requirements of the Transmission Provider Tariffs and the Interconnection Agreement. Seller shall exercise reasonable care in the maintenance and operation of the Meters and Monitoring Systems.
 - (ii) Meter Reading and Communications Equipment. After Commercial Operation Date, Seller shall, at its sole cost and expense, read, or cause to be read, the Meters at least as frequently as is needed during the Term. Seller shall install, own and maintain, at its sole cost and expense, communications equipment and services necessary to allow remote reading of the Meters pursuant to the requirements of the Interconnection Agreement for ISO Metered Entities, whether or not the Generating Facilities are an ISO Metered Entity. Seller shall apply verification, editing and estimation techniques to ensure that the meter data accurately represent actual Output and are in compliance with all applicable requirements of (i) the Transmission Provider; and (ii) the Buyer-PG&E Interconnection Agreement.
 - (iii) Seller shall at its sole cost and expense, install any updates or upgrades to the Meters, and all associated measuring equipment necessary to permit an accurate determination of the quantities of Energy delivered under this Agreement.
 - (iv) Transmission Provider and PG&E Requirements. If and to the extent requested to do so by Buyer, Seller shall submit to the Transmission Provider and/or PG&E, or allow the Transmission Provider and/or PG&E to retrieve, any Meter data required by the Transmission Provider and/or PG&E related to each Generating Facility and associated with the provision of transmission or distribution for the Output of each Generating Facility in accordance with the Transmission Provider Tariffs, and the Buyer-PG&E Interconnection Agreement.
 - (v) Meters must meet the California Solar Initiative eligibility requirements outlined by the California Energy Commission and Seller must provide to Buyer, prior to Commercial Operation Date, documentation certifying the Meters' accuracy to less than 2%. During the Term, Buyer may request

calibration testing of the Meter to ensure accuracy of billings to Buyer, Buyer shall be responsible for the cost of such testing. Seller shall furnish a copy of all technical specifications and accuracy calibrations for the Meter when testing is performed. If testing of the metering equipment indicates that such equipment is in error by more than two percent (2%), then Seller shall promptly repair or replace such equipment and shall reimburse Buyer for the cost of testing which determined the inaccuracy of the equipment by more than 2%. Seller shall make a corresponding adjustment to the records of the amount of electricity delivered by the Facility based on such test results for (i) the actual period of time when such error caused inaccurate Meter readings, if that period can be determined to the mutual satisfaction of the Parties, or (ii) if such period cannot be so determined, then a period equal to one-half of the period from the later of the date of the most recent test confirming accurate metering or the date the Meter was placed into service, but not to exceed twelve (12) months.

(d) Energy.

- (i) Buyer agrees, subject to the limitation addressed in Section 4.1 (d) (ii) – (iii), to purchase one hundred percent (100%) of the Adjusted Delivered Energy.
- (ii) In the event that the Adjusted Delivered Energy exceeds 100% of Expected Annual Contract Quantity at a particular site for any given year, and is greater than Buyer's electrical consumption at the Site, Buyer has the first option, but is not required, to purchase Adjusted Delivered Energy above 100% of Expected Annual Contract Quantity for such site. If Buyer does not purchase excess Adjusted Delivered Energy, Seller shall have the right to resell such excess energy to a third party, pursuant to all applicable laws, in which case proceeds from the sale of such electricity will solely accrue to the Seller.
- (iii) For any Adjusted Delivered Energy which exceeds 120% of the Expected Annual Contract Quantity (specified in Exhibit 4) that Buyer purchases subject to (ii), Buyer agrees to pay for such excess Adjusted Delivered Energy at the lesser of the Base Contract Price and the Replacement Price.
- (iv) At the end of each three (3) Contract Year Period, if the Adjusted Delivered Energy is less than 80 percent (80%) of the total Expected Annual Contract Quantity for such three (3) Contract Years, Seller shall pay to Buyer the product of the positive difference between the Replacement Price and the Base Contract Price for the kWh shortfall, if any; between the Adjusted Delivered Energy and 80% of the Expected Annual Contract Quantity for the three (3) year period.

- (v) If Seller is prevented from generating or delivering the Adjusted Delivered Energy due to a Force Majeure Event, Seller's obligation under this Section shall be reduced to the extent of such impact.
- (vi) The Parties recognize and agree that (A) with the exception of an event of a default pursuant to 11.1(b) payment of amounts by Seller to Buyer pursuant to this Section is an appropriate remedy, and (B) any such payment does not constitute a forfeiture or penalty of any kind, but rather constitutes anticipated costs to Buyer under the terms of this Agreement.

4.2 Monitoring System and Web Interface

- (a) Seller shall provide the Buyer with a Monitoring System for each Generating Facility.
- (b) The Monitoring System shall include, without limitation, ability to monitor Revenue grade AC production data. Additionally, for Generating Facilities over 250KW in size, Seller shall include building consumption data, and weather station with ability to monitor or access localized weather data, to include ambient temperature and irradiance.
- (c) Seller shall make available to Buyer a web-based tool or interface to view, collect and store data, in real time, including the energy delivered and greenhouse gas emissions reduced.

4.3 Delivery Point

Allocation of Costs and Risks. Except as expressly set forth in this Agreement, Seller shall be responsible for any costs or charges imposed on or associated with the Output or the delivery of the Output hereunder up to and at the Delivery Point. Except as expressly set forth in this Agreement, the Buyer shall be responsible for any costs or charges imposed on or associated with the Output, or its receipt, after the Delivery Point.

4.4 Environmental Attributes

- (a) Throughout the Term, Seller shall transfer to Buyer, and Buyer shall receive from the Seller, all rights, titles and interest in and to the Environmental Attributes, if any, whether now existing or subsequently generated or acquired (other than by direct purchase from a third party) by Seller, or that hereafter come into existence, during the Term, as a component of the Adjusted Delivered Energy purchased by Buyer from Seller hereunder. Seller agrees to transfer and make such Environmental Attributes available to Buyer immediately to the fullest extent allowed by applicable law upon Seller's production or acquisition of the Environmental Attributes. Seller agrees that the Base Contract Price is the full compensation for all Environmental Attributes.
- (b) Seller shall not assign, transfer, convey, encumber, sell or otherwise dispose of any portion of the Environmental Attributes to any Person other than Buyer, other

than in connection with sales of Output permitted pursuant to Sections 4.1(d)(ii) and 11.2(b).

- (c) During the Term, Seller shall not report to any Person that the Environmental Attributes granted hereunder to the Buyer belong to anyone other than the Buyer, and the Buyer may report under any program that such attributes purchased hereunder belong to it.
- (d) Seller shall document the production of Environmental Attributes under this Agreement by delivering on an annual basis to Buyer an attestation of Environmental Attributes produced by the Generating Facilities and purchased by Buyer in the preceding calendar year on or before the anniversary of each Commercial Operation Date following a Contract Year, Seller shall document the transfer of Environmental Attributes to Buyer under this Agreement by delivering to the Buyer an attestation of Environmental Attributes transferred under this Agreement in the preceding Contract Year. The form of attestation is set forth as Exhibit 5 [Form of Attestation]. Exhibit 5 [Form of Attestation] may be updated or changed by Buyer as necessary to ensure that the Buyer receives full and complete title to, and the ability to record with any EA Agency as its own, all of the Environmental Attributes purchased hereunder.
- (e) Documentation. At Buyer's option, the Parties, each at their own expense, shall execute all such documents and instruments in order to affect the transfer of the Environmental Attributes specified in this Agreement to the Buyer or its designees, as Buyer may reasonably request. Upon notification by an EA Agency that any transfers contemplated by this Agreement will not be recorded, the Parties shall promptly cooperate in taking all reasonable actions necessary so that such transfer can be recorded. Each Party shall promptly give the other Party copies of all documents it submits to the EA Agency to effectuate any transfers.

4.5 Tax Credits and Financial Incentives

- (a) Buyer agrees and acknowledges that the ITC shall be owned by Seller.
- (b) In connection with Seller's rights and interests in performance based incentive payments to be made under the California Solar Initiative after the Commercial Operation Date, Buyer agrees to cooperate with Seller, including signing authorizations needed by Seller, to obtain or transfer any such performance based incentives under the California Solar Initiative.
- (c) Seller acknowledges that Buyer has made no statements, representations or warranties regarding the eligibility of the Generating Facilities for the ITC or the CSI, and Seller is not relying on any statement, representation or warranty by Buyer or any third party with respect to the ITC or CSI in entering into this Agreement.

4.6 Temporary Shutdowns, Sale of Site, Relocation of Facility

- (a) Buyer may request that Seller temporarily stop operation of a Generating Facility for any purpose reasonably related to Buyer's maintenance and improvement of the Site at which a Generating Facility is located. For a shutdown up to seventy-two (72) hours that does not occur within thirty-six (36) months of a prior requested shutdown, Buyer shall not be obligated to pay Seller for lost revenues associated with the shutdown. Subject to the exception mentioned in this section, for all other shutdown periods requested by Buyer, Buyer will pay Seller an amount equal to the sum of payments that Buyer would have made to Seller hereunder for Adjusted Delivered Energy from the Generating Facility that would have been produced during the period of the shutdown, unless the shutdown is for maintenance or repairs that were due to the failure of components or installation of the Generating Facility. If a shutdown request has not been made by Buyer for 36 months, and the shutdown period that the Buyer subsequently requests is longer than 72 hours, Buyer shall only be responsible for payment to Seller for the Adjusted Delivered Energy that would have been produced from the 73rd hour of the shutdown until the end of the shutdown. Determination of the amount of energy that would have been produced during the period of the shutdown shall be based, during the first year of the Generating Facility's operations, on the estimated levels of production and, after the first year of the operations, based on actual operation of the Facility in the same period in the previous calendar year, unless Seller and Buyer mutually agree to an alternative methodology.
- (b) In the event Buyer requires the Generating System to be temporarily removed for any purpose, Buyer shall pay all costs associated with the removal and relocation of the Generating Facility, including installation and testing costs and interconnection costs. Buyer shall also be liable for shutdown costs, if applicable, identified in Section 4.6 (a).

4.7 Utility Rate Schedule Changes

To the extent that Seller has represented to Buyer that Buyer will be able to change Utility Rate Schedules at a site where Seller will be installing a Generating Facility, and such Utility Rate Schedule change is subsequently not possible, and comparable savings to those projected are not possible, Buyer shall have the right, but not the obligation, to terminate this Agreement with respect to such Generating Facility, provided written notice of such termination occurs before Notice to Proceed from Buyer. Upon termination of the Agreement for such Generating Facility, Buyer shall have no further obligations under this Agreement for such Generating Facility.

ARTICLE 5: BILLING AND PAYMENT

5.1 Billing and Payment

- (a) Generally. During the Term, on a monthly basis, Seller shall invoice Buyer, and Buyer shall make payment for Energy delivered to Buyer during the prior month, in accordance with Article 4. Such payment shall be full compensation to Seller for the Adjusted Delivered Energy received under this Agreement. Invoices furnished by Seller under this Agreement must be in a form acceptable to the Buyer, must include a unique invoice number and must indicate past due amounts, if any. All amounts paid by Buyer to Seller shall be subject to audit by the Buyer.
- (b) Payment. All payments shall be made on or before thirty (30) days after receipt of an undisputed invoice. Each Party shall make payments by electronic funds transfer or by other mutually agreeable method(s), to the account designated by the other Party.
- (c) Method of Payment. Buyer shall make all payments under the Agreement by electronic funds transfer in immediately available funds to the account designated by Seller from time to time. All payments that are not paid when due, and whose nonpayment is not attributable to any act or omission by Seller, shall bear interest, at a rate of ten (10%) percent per annum, accruing from the date payment became past due until the date payment is made in full. All payments made hereunder shall be non-refundable, be made free and clear of any tax, levy, assessment, duties or other charges and not subject to reduction, withholding, set-off, or adjustment of any kind.
- (d) Disputed Payments. If a *bona fide* dispute arises with respect to any invoice, Buyer shall not be obligated to pay such invoice during such dispute and not be deemed in default under the Agreement and the Parties shall not suspend the performance of their respective obligations hereunder, so long as Buyer promptly pays all undisputed amounts owed hereunder. If an amount disputed by Buyer is subsequently deemed to have been due in the amount claimed by the Seller, interest shall accrue at the rate of 10% per annum on such amount from the date becoming past due under such invoice until the date paid.

5.2 Allocation of Taxes and Possessory Interest Tax

- (a) Delivery Point. Seller shall pay or cause to be paid all Taxes due under or by virtue of this Agreement or the sale and delivery of Output sold hereunder including but not limited to ad valorem, franchise or income taxes which are solely related to the sale of Output.
- (b) Real Estate or Property Taxes. Seller shall pay or cause to be paid all real estate or personal property taxes, possessory interest taxes, business or license taxes or fees, service payments in lieu of such taxes or fees, annual or periodic license or use fees, excises, assessments, bonds, levies, fees or charges of any kind which

are now or hereafter assessed, levied, charged, confirmed or imposed by any Governmental Authority on Seller's occupancy and use of the Project Site as specified in Exhibit 1 (or any portion or component thereof) or on Seller's ownership or operation of the Generating Facilities.

- (c) Buyer Credit for Payment of Taxes. If the Buyer is required by law or regulation to remit or pay Taxes which are Seller's responsibility hereunder, the Buyer may deduct the amount of any such Taxes from the sums due to Seller under this Agreement. Nothing shall obligate or cause a Party to pay or be liable to pay any Taxes for which it is exempt under the law.
- (d) Seller shall be exempt from any Utility Users Tax or similar tax, fee, levee, or charge now or hereafter assessed by the City of Corning related to or applicable to energy use or sale.

ARTICLE 6: DEPOSIT REQUIREMENTS

6.1 Deposit Requirements during Operation.

- (a) Removal and Disposal Fund – General. In order to ensure that funds are available for the removal of the Generating Facilities and remediation of the Site upon the expiration or termination of this Agreement, Seller agrees to establish a bond, deposit account or guarantee, as outlined in Section 6.1 (b), dedicated for such purpose (the "Removal Fund").
- (b) Security for Removal of Generating Facilities. No later than five hundred and forty-five (545) days prior to the expiration of the Term for each applicable Generating Facility, Seller shall provide Buyer a written estimate of the cost to remove the applicable Generating Facility and restore the applicable Site to its condition prior to the installation of the applicable Generating Facility. The Parties shall meet and confer within thirty (30) days after such written estimate is received by Buyer to resolve any concerns regarding such estimated cost. Seller shall provide one of the following forms of security for the cost to remove the applicable Generating Facility and restore the applicable Site to its condition prior to the installation of the applicable Generating Facility: (i) a performance bond covering such cost, (ii) an investment or deposit account established with a financial institution reasonably satisfactory to Buyer, such approval of selection of financial institution not to unreasonably withheld, denied, conditioned, or delayed, requiring the signatures of both Buyer and Seller for all withdrawals, or (iii) a guaranty or letter of credit issued by a financial institution or corporation reasonably satisfactory to Buyer, such approval of selection of financial institution or corporation not to be unreasonably withheld, denied, conditioned, or delayed, no later than three hundred and sixty-five (365) days prior to the end of the Term. Such security shall secure the costs to remove the applicable Generating Facility and restore the applicable Site to its condition prior to the installation of the applicable Generating Facility. For avoidance of doubt, any funds remaining after the removal of the applicable Generating Facility and

restoration of the applicable Site to its condition prior to the installation of the applicable Generating Facility are the sole property of Seller, and Seller, in its sole discretion, shall determine which form of security to post to secure the cost to remove the applicable Generating Facility and restore the applicable Site to its condition prior to the installation of the applicable Generating Facility. In the event of a Seller Bankruptcy Event or Seller fails to remove the Generating Facilities within 3 months of the expiration of the term, Buyer shall have the right to use the applicable security and funds for the sole purpose of removal of the applicable Generating Facility and restoration of the applicable Site to its condition prior to the installation of the applicable Generating Facility; any remaining funds shall remain the property of the Seller or the Seller's Financing Parties, as applicable.

- (c) If this Agreement expires or terminates and, in accordance with this Agreement, the Seller has the obligation to pay for the removal of the Generating Facilities and the remediation of the Sites, then Seller shall remove the Generating Facilities and remediate the Sites within 90 days of the date of expiration or termination of this Agreement. Within fifteen (15) days of notice by the Seller to the Buyer that removal of the Generating Facilities has been completed and that the Sites has been remediated, Buyer shall either (1) certify in writing that Seller has completed removal and remediation in accordance with this Agreement or (2) list in writing any outstanding tasks. Upon Buyer's certification that Seller has completed removal and remediation in accordance with the requirements of this Agreement, which certification shall not be unreasonably conditioned, withheld or delayed, the funds in the Removal Fund shall be released to the Seller. In the event that the Seller and its Lenders fail to fully remove the Generating Facilities and remediate the Project Site(s) as required in this Agreement within the applicable deadline set forth in this Agreement, the Buyer may access the Removal Fund and use the available balance to undertake removal of the Generating Facilities and remediation of the Site(s). Seller shall be responsible for payment of all Buyers' reasonable removal or remediation costs, including any in excess of the Removal Fund. Any excess funds remaining in the Removal Fund after the completion of payment for the removal of the Generating Facilities and remediation of the Sites by the Buyer shall be released to Seller within sixty (60) days of payment of the last related invoice.
- (f) Disbursement if Seller does not have obligation to pay for removal and remediation. If this Agreement expires or terminates, and in accordance with this Agreement, Seller does not have the obligation to pay for the removal of the Generating Facilities and the remediation of the Site(s), the Removal Fund shall be released to Seller within sixty (60) days of the date of expiration or termination of this Agreement.

ARTICLE 7: SELLER'S ADDITIONAL OBLIGATIONS

- 7.1 Seller shall reimburse the Buyer for Buyer's payment of the California Solar Initiative rebate reservation fee within 30 days of receipt of the Buyer's invoice for such payment.

In addition, Seller shall apply for any rebates from the State of California, PG&E or other electricity provider on behalf of the Buyer.

7.2 Seller shall provide Buyer with an as-built plan set after project completion.

7.3 Seller shall develop, finance, own, maintain and operate the Generating Facilities in accordance with this Agreement, the requirements of the California Solar Initiative (CSI) Program including warranty requirements, all Requirements of Law, all Permits, the Transmission Provider Tariffs and Prudent Industry Practice. Additionally, Seller shall obtain the warranties described in Exhibit 8 [Panel and Inverter Warranties] for the equipment detailed in that Exhibit.

7.4 Seller agrees it shall pay prevailing wages in connection with the construction and operation of the Generation Facilities.

7.5 Milestones

(a) Generally.

Seller shall diligently pursue all milestones established pursuant to Article 3 and the Expected Commercial Operation Date. The Parties agree that time is of the essence in connection with the completion of the Generating Facilities, and that Milestones for the development, financing and construction of the Generating Facilities must be achieved in a timely fashion. Seller shall strive to achieve the Milestones mutually agreed to at the time of PPA execution by the Seller and Buyer.

(b) Monthly Reports.

Unless otherwise specified in this Agreement, starting on the Effective Date, Seller shall provide to Buyer the monthly progress reports concerning the progress towards completion of the Milestones. Seller shall provide to the Buyer additional information concerning Seller's progress towards, or confirmation of, achievement of the Milestones, as the Buyer may reasonably request from time to time.

(c) Notice of Failure to Achieve a Milestone.

Upon becoming aware that Seller will, or is reasonably likely to, fail to achieve one or more milestone(s) by the required date, for any reason including a Force Majeure Event, Seller shall so notify the Buyer in writing immediately. Such notice shall explain the cause of the delay, provide an updated date for achievement of the milestone(s), and describe Seller's plan for meeting such milestone(s). Seller's notice will also explain any impact such delay may or will have on any other milestone, and the measures to be taken to mitigate such impact.

(d) Facility Mechanical Completion Inspection.

Seller shall notify Buyer when Mechanical Completion of the Generating Facilities is achieved. At discretion of Buyer, Seller shall schedule and arrange for Buyer to conduct an inspection of the Generating Facilities. The inspection shall be scheduled for a date, mutually agreeable to Seller and Buyer, which is within ten (10) Business Days of Seller's notification of Mechanical Completion. Based on the inspection, Buyer may, within ten (10) Business Days of the inspection, prepare and provide to Seller a punch list of any observed defects or deficiencies in the construction work or discrepancies between installed equipment and workmanship and this Agreement. Seller shall be responsible for completion, correction, or otherwise addressing issues identified by the Buyer, and shall provide a written response to document actions taken in response to the punch list items. If requested by Buyer, Seller shall schedule and arrange a follow-up inspection for Buyer after all punch list items are resolved. All punch list items shall be resolved prior to the Commercial Operation Date of the Generating Facilities except those items specifically excepted by mutual agreement between Buyer and Seller.

- (e) Force Majeure Event. In the event that a Force Majeure Event causes any delay in the achievement of a milestone, such milestone's deadline may be extended, together with any Force Majeure Event extensions for other milestones, for a period not to exceed, in the aggregate, six (6) months. The extension of the deadline for any milestone shall extend the deadline for all subsequent milestones, provided that in no event shall the combined extensions for Force Majeure Events for any or all of the milestones exceed six (6) months. The extension provided for in this Section shall be the only effect of a Force Majeure Event on Seller's obligations with respect to the milestones.
- (f) Waiver of Right. The Buyer may, at its discretion, grant waivers for Seller's failure to meet any of the Milestones, but in no way shall any such waiver constitute a waiver of any future failures by Seller to meet other milestones.

7.6 Compliance:

Seller shall, in its own name and at its own expense, seek, obtain, maintain, comply with and, as necessary, renew and modify from time to time, all Permits and other authorizations that are required by any Requirements of Law, the Transmission Provider Tariffs or any Governmental Authority as are necessary for Seller to engage in the activities and obligations required by the Agreement.

7.7 Maintenance, Audit and Inspection of Records

- (a) Maintenance of Records. Seller shall maintain any and all documents and records which demonstrate performance under this Agreement and the lease, and all ledgers, books of account, invoices, vouchers, cancelled checks, and other documents evidencing or relating to charges for services, or expenditures and disbursements charged to Buyer for a minimum period of five (5) years, or for

any longer period required by law, from the date of final payment to Seller pursuant to this Agreement.

- (b) Inspection. Any documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit at no cost to Buyer, at any time during regular business hours, upon written request by a designated representative of the Buyer. Seller shall provide copies of such documents to Buyer for inspection at a time and place that is convenient to Buyer.
- (c) Custody of Records. Where Buyer has reason to believe that any of Seller's documents relating to this Agreement may be lost or discarded due to dissolution, disbandment or termination of Seller's business, Buyer may, by written request by any of the above-named officers, require that custody of the Seller's documents be given to Buyer. Seller shall comply with Buyer's reasonable written request.

7.8 Insurance:

Seller shall obtain and maintain the policies of insurance in amounts and with coverage as set forth in Exhibit 6 [Insurance Requirements].

7.9 Commissioning and Performance Reports

- (a) Seller shall comply with all applicable ISO, Transmission Provider and CSI handbook field verification requirements for preoperational testing. Subsequently, Seller will perform an annual performance evaluation for the term of this agreement on approximately the annual anniversary that the first commissioning test was performed. No later than seventy-two (72) hours prior to conducting its Commissioning Tests, Seller shall notify Buyer of the date on which it intends to conduct such tests. Within seven (7) days of the successful completion of Seller's Commissioning Test, Seller shall provide to Buyer written notification of the Commercial Operation Date, including any relevant data demonstrating that Commercial Operation has occurred. Buyer has the right to be present during any Commissioning Test, and to receive all information, including Meter and performance data associated with such tests. Seller may change the date for such tests upon written notice to Buyer, provided that Buyer has at least 24 hours notice of the date of such tests.
- (b) Seller will provide Buyer with an annual performance evaluation report of the energy production over the last 12 months as compared to the expected energy production over that same period.

7.10 Obligation to Interconnect:

Seller shall be solely responsible for Interconnection of the Generating Facilities to the Transmission System. Seller shall, at its own cost and expense, negotiate and enter into an Interconnection Agreement and such other agreements with the Transmission Provider as needed to enable Seller to transmit Energy to the Delivery Points. Seller shall be responsible for all costs under the Interconnection Agreement and any other agreements

with the Transmission Provider including but not limited to the costs of any upgrades to the Transmission System associated with the Interconnection of the Generating Facilities. Seller shall, at its own cost and expense, maintain the Interconnection Facilities including metering facilities.

7.11 WREGIS

As applicable, prior to the Commercial Operation Dates, Seller shall register the Generating Facilities in the WREGIS, and take all other actions necessary to ensure that the Energy or Environmental Attributes produced by the Generating Facilities are issued and tracked for purposes of satisfying the requirements of the California Renewables Portfolio Standard and transferred to Buyer as applicable. In the event that WREGIS is not in operation as of the Actual Commercial Operation Date, Seller shall perform its obligations, as required under this Section as soon as WREGIS is in operation.

7.12 Facility Conformance to Buyer Specifications. Seller shall assure that each Generating Facility remains in conformance with the most recent version of the as-built drawings approved by the Buyer; all specifications and requirements of this Agreement during the Term, including when maintenance is performed or when modifications are implemented. Buyer may, at any time, prepare and provide to Seller a letter or notice of any observed defects, deficiencies or deviations between each Generating Facility and the most recent version of the as-built drawings approved by the Buyer, or any specification or requirement of this Agreement. Within twenty (20) Days of Buyer's notification, Seller shall correct or address the issue(s) or propose to Buyer a reasonable schedule for correcting or addressing the issue(s). The schedule shall be subject to the written consent of the Buyer which consent shall not be unreasonably withheld or delayed. If Seller fails to correct or address undisputed and material issue(s) identified by Buyer within 20 days, Buyer shall have the right to withhold any payments due to Seller until the issue(s) identified by Buyer are addressed by Seller. Such withholding of payment(s) shall not cause the Buyer to be considered in default or to be obligated to pay any kind of penalty or late charge interest on the withheld payments.

7.13 Coordination with the ISO, Transmission Provider and Western Electricity Coordinating Council ("WECC")

- (a) ISO, Transmission Provider and WECC Standards. Each Party shall undertake its obligations under this Agreement in compliance with all applicable (i) operating policies, criteria, rules, guidelines, tariffs and protocols of the ISO and Transmission Provider; (ii) WECC scheduling practices; and (iii) prudent utility practices.
- (b) Start-ups and Shut-downs. Seller shall coordinate all Generating Facilities start-ups and shut-downs, in whole or in part, with Buyer in accordance with the reasonable protocols established by Buyer and applicable requirements of the Interconnection Agreement.

- 7.14 Seller shall use commercially reasonable efforts to minimize the number and duration of Outages during periods when the Generating Facilities otherwise would be able to produce Energy. Planned Outages shall be limited to no more than five (5) calendar days per Contract Year. Seller shall be responsible for all expenses and costs, excluding those resulting from Buyer's shutdown addressed in Section 4.6, associated with all requirements and timelines for generation Outage scheduling, including, if applicable, those posted on the ISO's website. Planned and forced Outages shall be coordinated between Seller and the Buyer.
- 7.15 Transmission and Distribution Maintenance Information: If either Party receives information through the ISO or from the Transmission Provider regarding maintenance that will directly affect the Generating Facilities, it will provide this information promptly to the other Party.
- 7.16 Modifications to the Generating Facilities

Upon approval by Buyer of the design of the Generating Facilities, Seller shall have no right to make a Material Change to the Generating Facilities nor attach fixtures or erect additions or structures in or upon the Facility (collectively "Alterations") without receiving prior written approval of Buyer prior to undertaking any such Alterations. Seller shall submit to Buyer detailed and complete plans and specifications for a Material Change. Buyer may, in its sole discretion, waive the requirement for detailed plans upon Seller's demonstration that the Material Change consists solely of modification or replacement of like-kind equipment. Buyer shall not unreasonably delay or withhold written approval of Seller's Material Change, provided that such Material Change shall impose no additional burdens or obligations on Buyer. As a condition to consenting to the Material Change, Buyer may impose reasonable requirements, including the requirement that Seller provide Buyer with a surety bond or other financial assurance that the cost of the Material Change will be paid when due, and reimbursement of any costs incurred by Buyer in responding to Seller's request or inspecting such Material Change. Any such Material Change performed by Seller shall be performed in accordance with all Requirements of Laws, including any and all necessary permits and approvals to be obtained from Buyer. Seller agrees to provide Buyer with sufficient advance notice of any proposed Material Change to allow the coordination and consideration by Buyer of the construction schedule for such Material Change. Notwithstanding the foregoing, Seller's routine repair, replacement, or maintenance of the equipment components of the Generating Facilities shall not require Buyer's consent. Seller shall provide Buyer with written notice 48 hours in advance of any routine repair, replacement, or maintenance of the equipment components of the Generating Facilities. Such notice will include the time, location and nature of the planned repair or maintenance.

ARTICLE 8: FORCE MAJEURE

8.1 Force Majeure Events

- (a) Excuse. Subject to Section 8.2 below, and except as expressly set forth herein, neither Party shall be considered in default under this Agreement for any delay or

failure in its performance under this Agreement (including any obligation to deliver or accept Output) if such delay or failure is due to a Force Majeure Event, but only to the extent that:

- (i) Such Force Majeure Event is not attributable to fault or negligence or action or inaction on the part of that Party;
 - (ii) Such Force Majeure Event is caused by factors beyond that Party's reasonable control or anticipation; and
 - (iii) Despite taking all commercially reasonable technical precautions and measures to prevent, avoid, mitigate or overcome such event and the consequences thereof, the Party affected has been unable to prevent, avoid, mitigate or overcome such event or consequences.
- (b) "Force Majeure Event" may include, subject to this section:
- (i) acts of Nature such as storms, floods, lightning, volcanic eruptions, forest fires, and earthquakes;
 - (ii) sabotage or destruction by a third party of facilities and equipment relating to the performance by the affected Party of its obligations under this Agreement;
 - (iii) Transmission System outage or failure not caused by Seller or Seller activities;
 - (iv) war, riot, acts of a public enemy or other civil disturbance;
 - (v) strike, walkout, lockout or other significant labor dispute; or
 - (vi) theft, vandalism, accidents, or construction related power interruptions and mechanical moves
 - (vii) curtailment by the ISO, or its successor, but only to the extent that the ISO declares a "Force Majeure" under the ISO Tariff.
- (c) Exclusion. "Force Majeure Event" does not include the following:
- (i) economic hardship of either Party;
 - (ii) an Outage, except if caused directly by an event or circumstance that meets the requirements set forth in this Section 8.1;
 - (iii) failure or delay in the granting of Permits;
 - (iv) failures or delays by the Transmission Provider or the ISO in entering into, or performing under, all agreements with Seller contemplated by this Agreement;

- (v) curtailment or interruption of transmission services, other than by the ISO where the ISO declares a "Force Majeure" under the ISO Tariff; or
 - (vi) insufficiency, unavailability, failure, or diminishment of solar resource, except as a result of an event that would otherwise qualify as a Force Majeure Event
- (d) Notwithstanding anything to the contrary, due to the constitutional limitations on Buyer, a Force Majeure Event shall include a "budget non-appropriation event" in which the Buyer's appropriation for any year covered in this Agreement does not appropriate funds for the procurement of any utility services for Buyer. During the continuation of a budget non-appropriation event as defined above, if the Buyer does not otherwise have other funds available to make payments otherwise due on this Agreement, the Buyer shall not be obligated to pay for (and the Seller shall not be required to deliver) any services provided under this Agreement until the budget non-appropriation event has terminated. Buyer agrees that it shall use its best efforts to seek appropriation for utility services during the term of this Agreement. If a budget non-appropriation event continues for more than 180 days, Seller (but not Buyer) may terminate this Agreement.

8.2 Conditions

- (a) In addition to the conditions set forth in Section 8.1(a) above, a Party may rely on a claim of a Force Majeure Event to excuse its performance only to the extent that such Party:
- (i) provides prompt notice of such Force Majeure Event to the other Party, giving an estimate of its expected duration and the probable impact on the performance of its obligations under this Agreement;
 - (ii) exercises all reasonable efforts to continue to perform its obligations under this Agreement;
 - (iii) expeditiously takes action to correct or cure the event or condition excusing performance so that the suspension of performance is no greater in scope and no longer in duration than is dictated by the problem; provided, however, that settlement of strikes or other labor disputes shall be completely within the sole discretion of the Party affected by such strike or labor dispute;
 - (iv) exercises all reasonable efforts to mitigate or limit damages to the other Party; and
 - (v) provides prompt notice to the other Party of the cessation of the event or condition giving rise to its excuse from performance.

8.3 Termination Due To Force Majeure Event

In addition to and without limiting any other provisions of this Agreement, if a Party is prevented from performing its material obligations under this Agreement for a period of 180 consecutive or non-consecutive days or more (whether full or partial days) due to a Force Majeure Event, the other Party may terminate this Agreement, without liability of either Party to the other, upon ninety (90) days written notice at any time during the Force Majeure Event. Seller shall be responsible for removing the applicable Generating Facility and restoring the Site where the applicable Generating Facility was installed to the condition described in article 9.1 within ninety (90) days after provision of written notice.

ARTICLE 9: REMOVAL

9.1 Removal of Personal Property and the Generating Facilities

Unless the Parties otherwise mutually agree in writing, upon expiration of any Initial or Renewal Terms, Seller shall, in a manner that minimizes the disruption of Buyer's business to the extent commercially practicable, (i) remove the Generating Facility's modules and related equipment from the Site, (ii) repair, in a commercially reasonable manner, any damage to the Site caused by the Generating Facility and such removal, and (iii) remove all trash and debris introduced to the Site by Seller or its representatives, leaving the Site in substantially the same condition existing prior to installation of the Facility. This section shall survive termination of this Agreement.

ARTICLE 10: DISPUTE RESOLUTION

10.1 Buyer and Seller shall negotiate in good faith in event of any dispute during the performance of this Agreement. If the dispute cannot be resolved between the Buyer's Project Manager and the Seller's Project Manager after 2 days of negotiations, at either the Buyer's or Seller's option, the matter may be promptly escalated to the next level of command within each party's organization. If the dispute or problem cannot be resolved within five (5) additional Business Days, the matter shall be promptly escalated to the CEO level of the Buyer and director of the Seller who shall attempt to resolve the dispute within five (5) Business Days.

10.2 Notwithstanding anything to this contrary, this Article is not intended to limit or restrict the rights of either party to seek any judicial remedy.

ARTICLE 11: DEFAULT & REMEDIES

11.1 Seller Event of Default

A Seller Event of Default shall occur under this Agreement upon the occurrence of any of the following events (severally "Seller Event of Default" and collectively "Seller Events of Default"):

- (a) Seller Schedules and/or delivers to Buyer, without Buyer's consent, energy or other product from a resource other than the Generating Facilities specified in this Agreement; or
- (b) Seller fails for any reason, except as a result of a Force Majeure Event, to deliver at least one-half of the Expected Annual Contract Quantity during a Contract Year; or
- (c) Seller sells or transfers Output to any Person other than Buyer other than pursuant to a Buyer Event of Default; or
- (d) Seller shall have failed to pay, when due, any rent, fee, charge or obligation of Seller requiring the payment of money under the terms of this Agreement within thirty (30) days from receipt of notice from Buyer of such past due amount; or
- (e) Seller shall have failed to maintain any insurance required pursuant to this Agreement; or
- (f) Seller shall have failed to achieve Commercial Operation Date by the Expected Commercial Operation Date as such deadline is established pursuant to Article 3; or
- (g) Any representation or warranty made by Seller hereunder shall have been false or misleading in any material respect; or
- (h) Seller shall have made a general assignment of its assets for the benefit of its creditors without prior written approval by Buyer; or
- (i) Seller shall have assigned or otherwise transferred its interest in this Agreement in violation of the provisions contained in this Agreement whether voluntarily or by operation of law; or
- (j) Seller shall have failed to maintain continuous operations at any Project Site for any thirty (30) consecutive days, have been dispossessed by process of law or otherwise, or have otherwise abandoned the Site; or
- (k) A court shall have made or entered any decree or order: (i) adjudging Seller to be bankrupt or insolvent; (ii) approving as properly filed a petition seeking reorganization of Seller or an arrangement under the bankruptcy laws or any other applicable debtor's relief law or statute of the United States or any state thereof; (iii) appointing a receiver, trustee or assignee of Seller in bankruptcy or insolvency or for its property; (iv) directing the winding up or liquidation of Seller and such decree or order shall have continued for a period of sixty (60) days; or (v) Seller shall have voluntarily submitted to or filed a petition seeking any such decree or order; or
- (l) The sequestration or attachment of or execution or other levy on Seller's interest in this Agreement or the Site or any improvements located thereon shall have

occurred and Seller shall have failed to obtain a return or release of such property within thirty (30) days thereafter, or prior to sale pursuant to such levy, whichever first occurs; or

- (m) The occurrence of any act or omission on the part of Seller which operates to suspend, revoke or terminate any certificate, permit, franchise, approval, authorization or power necessary for Seller to lawfully conduct the operations which Seller is required or permitted to conduct on the Site; or
- (n) Any lien shall be filed against the Sites because of any act or omission of Seller, and shall not be discharged or contested by Seller in good faith by proper legal proceedings within twenty (20) calendar days after receipt of notice thereof by Buyer; or
- (o) An Event of Default by Seller under one of the Site Licenses, as defined therein;
- (p) Seller shall have failed to perform any term, covenant, or condition of this Agreement to be performed by Seller, including those referred to in the immediately preceding subparagraphs, and Seller shall have failed to cure the same within sixty (60) days after written notice from Buyer, provided, however, Buyer may give Seller additional time to cure at Buyer's option. Buyer and Seller shall attempt to resolve all such disputes pursuant to Article 10's dispute resolution procedure, provided however, nothing shall prejudice Buyer's rights and remedies in the event that Seller fails to cure within the 60-day period or within any other period granted by Buyer; or
- (q) Any representation or warranty made by Seller hereunder shall have been false or misleading in any material respect.

11.2 Buyer Event of Default

A Buyer Event of Default shall occur under this Agreement upon the occurrence of any of the following events (severally "Buyer Event of Default" and collectively "Buyer Events of Default", and together with Seller Event of Default, individually and collectively "Event of Default" and "Events of Default"):

- (a) Buyer shall have failed to pay, when due, any rent, fee, charge or obligation of Buyer requiring the payment of money under the terms of this Agreement within thirty (30) days from receipt of notice from Seller of such past due amount; or
- (b) A court shall have made or entered any decree or order: (i) adjudging Buyer to be bankrupt or insolvent; (ii) approving as properly filed a petition seeking reorganization of Buyer or an arrangement under the bankruptcy laws or any other applicable debtor's relief law or statute of the United States or any state thereof; (iii) appointing a receiver, trustee or assignee of Buyer in bankruptcy or insolvency or for its property; (iv) directing the winding up or liquidation of Buyer and such decree or order shall have continued for a period of sixty (60) days; or (v) Buyer shall have voluntarily submitted to or filed a petition seeking

- any such decree or order; or
- (c) Any representation or warranty made by Buyer hereunder shall have been false or misleading in any material respect; or
- (d) Buyer shall have assigned or otherwise transferred its interest in this Agreement in violation of the provisions contained in this Agreement whether voluntarily or by operation of law; or
- (e) If the Buyer sells or vacates the Site, fails to pay Seller for a period of three (3) consecutive months and is unable to assign its obligations under this Agreement to the new owner or occupier of the Site in accordance with Section.
- (f) Buyer shall have failed to perform any term, covenant, or condition of this Agreement to be performed by Buyer, and Buyer shall have failed to cure the same within sixty (60) days after written notice from Seller, provided, however, Seller may give Buyer additional time to cure at Seller's option. Buyer and Seller shall attempt to resolve all such disputes pursuant to Article 10's dispute resolution procedure, provided however, nothing shall prejudice Seller's rights and remedies in the event that Buyer fails to cure within the 60-day period or within any other period granted by Seller.

11.3 Termination for Event of Default and Other Remedies

- (a) Termination for Event of Default. In the Event of Default, the non-defaulting Party may terminate the Agreement by notifying the defaulting Party in writing of (i) the decision to terminate; and (ii) the effective date of the termination. In the event of termination of the Agreement for an Event of Default under one of the Site Licenses, this Agreement will terminate on the same date as the date of the termination of the Site License.
- (b) Remedies. For all claims, causes of action and damages with respect to an Event of Default, in addition to the right to termination under Section 11.3(a), the non-defaulting Party shall be entitled (1) to foreclose upon, or otherwise employ, any security provided by the defaulting Party, (2) to recover actual damages allowed by law, and (3) to seek equitable remedies including specific performance of all or any part of this Agreement unless otherwise limited by this Agreement. In addition, Buyer shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Seller any Event of Default; Seller shall pay to Buyer on demand all costs and expenses incurred by the Buyer in effecting such cure, with interest thereon from the date of incurrence at the Interest Rate. Buyer shall have the right to offset from any amounts due to Seller under this Agreement or any other agreement between Buyer and Seller all damages, losses, costs or expenses incurred by Buyer as a result of such Event of Default and any liquidated damages due from Seller pursuant to the terms of this Agreement or any other agreement. Neither the enumeration of Events of Default nor the termination of this Agreement by a non-defaulting Party shall limit the right of a non-defaulting

Party to rights and remedies available at law or in equity. Except as otherwise specifically and expressly provided herein, all remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

11.4 Limitation

- (a) Except as otherwise specifically and expressly provided in this Agreement, neither Party shall be liable to the other under this Agreement for any indirect, special or consequential damages, including loss of use, loss of revenues, loss of profit, interest charges, or cost of capital or claims of its customers or members to which service is made.
- (b) Under no circumstances shall the non-defaulting Party be required to make a termination payment or any other payment to the defaulting Party (except for payments due under this Agreement for performance prior to termination).

11.5 Effect of Termination - Survival of Obligations

- (a) **Removal and Restoration.** Unless the Parties otherwise mutually agree in writing, upon termination (for any reason other than a purchase by Buyer in accordance with Article 2), Seller shall remove all of its property from the Sites within ninety (90) days of such termination or expiration, including any materials, equipment and, if it has been constructed, the Generating Facilities and remediate and restore the Sites to the conditions described in Article 9. In addition, the Seller shall comply with all the requirements of the Site License for the remediation and return of the Sites to its owner.

Seller shall, in a manner that minimizes the disruption of Buyer's business to the extent commercially practicable, (i) remove the Generating Facility's modules and related equipment from the Site other than roof standoffs secured to the Site, (ii) repair, in a commercially reasonable manner, any damage to the Site caused by the Generating Facility and such removal, but leaving roof standoffs in place, and (iii) remove all trash and debris introduced to the Site by Seller or its representatives, leaving the Site in substantially the same condition existing prior to installation of the Facility. This section shall survive termination of this Agreement.

- (b) **Abandonment.** If Seller has an obligation to remove the Generating Facilities from the Sites and remediate the Sites due to the termination or expiration of this Agreement, but Seller and/or its Lender(s) fails to complete its removal and remediation obligations within one hundred and twenty (120) days of such termination, then any part of the Generating Facilities and all personal property of Seller not removed from the Sites within one hundred twenty (120) days after such termination of this Agreement shall be deemed abandoned by Seller and

shall become the property of Buyer, and Buyer may, at its option, remove and warehouse or otherwise dispose of such property or retain ownership thereof indefinitely, as it determines in its sole discretion.

- (c) Survival of Obligations. The following rights, obligations or provisions shall survive termination or expiration of this Agreement:
- (i) obligations by one Party to the other for payment of any amounts, or for performance of any duties, that have accrued or arose prior to, or have directly resulted from, the expiration or termination of this Agreement;
 - (ii) indemnity obligations pursuant to the Agreement, which shall survive to the full extent of the statute of limitations period applicable to any third party claim;
 - (iii) limitation of liability provisions pursuant to the Agreement;
 - (iv) for a period of one (1) year after the expiration or termination date, the right to dispute an invoice;
 - (v) seller removal and remediation obligations
 - (vi) Sections 6.1(e), (f), 9.1, 11.3(b), 11.5(a), (b), (c), 11.6, 14.12, 14.25, 14.28, 14.29, and 14.35.

11.6 Indemnification

Each Party (“Indemnifying Party”) shall defend, indemnify and hold harmless the other Party, and its permitted successors and assigns, and their officers, directors, employees, agents, affiliates and representatives (each, an “Indemnified Party”) from and against any and all losses, including but not limited to losses arising from personal injury or death, or damage to property, to the extent such losses result from or arise out of the sole negligence and/or willful misconduct by the Indemnifying Party, its employees, subcontractors or agents.

11.7 Buyer’s Right to Operate in the Event of Seller’s Default

If (i) Seller fails to achieve (A) the Commercial Operation Date set forth in the milestones, or (B) a revised estimated Commercial Operation Date that has received written approval by the Buyer, or (ii) an Event of Seller’s Default under Article 11 occurs, then the Buyer or its designee may, but shall not be obligated to, step-in and assume operational control from Seller of the Generating Facility. The Buyer, its employees, contractors and designees shall have the unrestricted right to enter the Generating Facility to the extent necessary to operate the Generating Facility. Notwithstanding the foregoing, Seller shall not be excused from any obligation or remedy available to the Buyer as a result of the Buyer’s operation of, or election not to operate, the Generating Facility. The Buyer shall pay Seller the applicable Base Contract Price for Adjusted Delivered Energy provided hereunder, less any costs incurred by the Buyer to

operate the Generating Facility. Upon the Buyer's satisfaction that Seller has the ability to operate the Generating Facility in accordance with this Agreement, Seller shall resume operational control.

ARTICLE 12: REPRESENTATIONS, WARRANTIES AND COVENANTS

12.1 Seller's Representations, Warranties and Covenants

Seller represents, warrants and covenants to the Buyer that as of the date of execution of this Agreement:

- (a) Seller is duly organized and validly existing as a Limited Liability Corporation under the laws of the State of California, and has the lawful power to engage in the business it presently conducts and contemplates conducting in this Agreement and Seller is duly qualified in each jurisdiction wherein the nature of the business transacted by it makes such qualification necessary;
- (b) Seller has the legal power and authority to make and carry out this Agreement and to perform its obligations hereunder; all such actions have been duly authorized by all necessary proceedings on its part;
- (c) This Agreement has been duly and validly executed and delivered by Seller and, as of the Effective Date, constitutes a legal, valid and binding obligation of Seller, enforceable in accordance with its terms against Seller, except to the extent that its enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally or by general principles of equity;
- (d) There are no actions, suits, proceedings or investigations pending or, to the knowledge of Seller, threatened in writing against Seller, at law or in equity before any Governmental Authority, which individually or in the aggregate are reasonably likely to have a materially adverse effect on the business, properties or assets or the condition, financial or otherwise, of Seller, or to result in any impairment of Seller's ability to perform its obligations under this Agreement;
- (e) Seller will deliver to Buyer at the Delivery Point the Adjusted Delivered Energy free and clear of all liens, security interests, claims and encumbrances or any interest therein, or thereto, by any Person.
- (f) Prior to conveyance to Buyer, Seller holds and will hold throughout the Term, the rights to all Environmental Attributes, which it has conveyed and has committed to convey to Buyer hereunder; and
- (g) The execution, delivery and performance of this Agreement by Seller will not conflict with its governing documents, any applicable laws, or any covenant, agreement, understanding, decree or order to which Seller is a party or by which it is bound or affected.

12.2 Seller's Additional Representations, Warranties and Covenants

- (a) Seller warrants, represents and covenants that all of its operating and maintenance personnel shall be adequately qualified and trained throughout the term of the Agreement.
- (b) Seller represents, warrants and covenants that any goods and/or services furnished under this Agreement shall be covered by commercial warranties substantially similar to those Seller provides to any of its customers for the same or substantially similar goods and/or services.—Any warranties provided by Seller shall supplement, and shall not limit or reduce, any rights afforded to Buyer by any clause in this Agreement, any applicable Uniform Commercial Code warranties, including, without limitation, Implied Warranty of Merchantability and Implied Warranty of Fitness for a Particular Purpose as well as any other express warranty.
- (c) In the event the Buyout Option is exercised by Buyer, the existing Generating Facilities warranties and covenants shall be transferred from Seller to Buyer.
- (d) Seller expressly warrants that all goods supplied shall be new, suitable for the use intended, of the grade and quality specified, free from all defects in conformance with specifications furnished by the Buyer, and in compliance with all applicable federal, state and local laws and regulations.
- (e) During the provision of goods and services, Seller may not disclaim any warranty, express or implied, and any such disclaimer shall be void. Additionally, the warranties above shall not be deemed to exclude Seller's standard warranties or other rights and warranties that the Buyer may have or obtain.
- (f) Seller covenants to maintain and repair Project Sites if such maintenance and repairs are necessary as a result of Sellers' authorized or permitted use.

12.3 Buyer Representations and Warranties

Buyer represents and warrants to Seller that as of the Effective Date of this Agreement:

- (a) Buyer has the legal power and authority to make and carry out this Agreement and to perform its obligations hereunder and all such actions have been duly authorized by all necessary proceedings on its part; and
- (b) This Agreement has been duly and validly executed and delivered by Buyer and, as of the Effective Date, constitutes a legal, valid and binding obligation of Buyer, enforceable in accordance with its terms against Buyer, except to the extent that its enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally or by general principles of equity; and

- (c) There are no actions, suits, proceedings or investigations pending or, to the knowledge of Buyer, threatened in writing against Buyer, at law or in equity before any Governmental Authority, which individually or in the aggregate are reasonably likely to result in any impairment of the Buyer's ability to perform its obligations under this Agreement. Seller and Buyer further understand and agree that the Buyer is entering into this Agreement in its capacity as a purchaser of electric power. Nothing in this Agreement shall limit in any way Seller's obligation to obtain any required approvals from departments, boards, commissions or governmental entities having jurisdiction over this Agreement. By entering into this Agreement, Buyer is in no way modifying Seller's obligation to cause the Generating Facilities to be installed and operated in accordance with all Requirements of Law.

ARTICLE 13: ASSIGNMENT AND FINANCING

13.1 Assignment by Seller.

Seller shall not sell, transfer or assign (collectively, an "Assignment") the Agreement or any interest therein, without the prior written consent of Buyer, which shall not be unreasonably withheld, conditioned or delayed; however, that, without the prior consent of Buyer, Seller may (i) assign this Agreement to an Affiliate of Seller; (ii) assign this Agreement as collateral security in connection with any financing of the Generating Facility (including, without limitation, pursuant to a sale-leaseback transaction). In the event that Seller identifies such secured Financing Party in a written notice to Buyer, then Buyer shall comply with the provisions set forth in Exhibit 9 of this Agreement titled General Conditions – Financing Parties. In the event of a collateral assignment, the assignee shall assume all obligations under this Agreement if assignor defaults on its obligations to assignee and assignee exercises its rights as a secured party under its collateral assignment and thereafter becomes the successor-in-interest to Seller under this Agreement. In all other assignments, Seller or any of its successors and assigns, shall cause Assignee to assume in writing the rights and obligations of this Agreement, which shall, in any event, bind and benefit any successors or assigns of the Seller.

Any Financing Party shall be an intended third-party beneficiary of this Section 13.1. Any assignment by Seller pursuant to this Section 13.1 without any required prior written consent of Seller shall not release Buyer of its obligations hereunder.

13.2 Acknowledgment of Collateral Assignment. In the event that Seller identifies a secured Financing Party in a written notice to Buyer, then Buyer hereby:

- (a) Acknowledges the collateral assignment by Seller to the Financing Party, of Seller's right, title and interest in, to and under the Agreement, as consented to under Section 13.1 of the Agreement.
- (b) Acknowledges that the Financing Party as such collateral assignee shall be entitled to exercise any and all rights of Lenders generally with respect to the Seller's interests in this Agreement.

- (c) Acknowledges that it has been advised that Seller has granted a first priority perfected security interest in the Generating Facility to the Financing Party and that the Financing Party has relied upon the characterization of the Generating Facility as personal property, as agreed in this Agreement in accepting such security interest as collateral for its financing of the Generating Facility. Any Financing Party shall be an intended third party beneficiary of this Section 13.2.
- 13.3 Assignment by Buyer. Buyer shall not assign the Agreement or any interest therein, without Seller's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Any assignment by Buyer without the prior written consent of Seller shall not release Buyer of its obligations hereunder.
- 13.4 The consent of Buyer to any transfer described in this Section shall not relieve Seller of its obligation to obtain the further consent of Buyer for any subsequent transfer.

ARTICLE 14: OTHER TERMS & CONDITIONS

14.1 NOTICES

All deliveries, notices, requests, demands or other communications provided for or required by this Agreement shall be in writing and shall be deemed to have been given when sent by registered or certified mail, return receipt requested; when sent by overnight carrier; or upon email confirmation to sender of receipt of a facsimile communication which is followed by a mailed hard copy from sender. Notices shall be addressed to:

Buyer City of Corning, CA
 Name: John Brewer
 Address 1: 794 Third Street
 City: Corning
 State: CA
 Zip: 96021

Seller: Fresh Air Energy - XXVI, LLC
 Name: John Gorman and Erik Stuebe
 Titles: CEO, and President, respectively
 Company: Fresh Air Energy XXVI, LLC.
 Address 1: 650 Townsend Street, Ste. 315
 City: San Francisco
 State: CA
 Zip: 94103

Each party may designate a different person and address by sending written notice to the other party, to be effective no sooner than ten (10) days after the date of the notice.

14.2 COMPLIANCE WITH ALL LAWS

Seller shall at all times comply with all applicable laws, ordinances, rules and regulations. Seller shall keep itself fully informed of Buyer's charter, codes, ordinances and regulations and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with all applicable local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time. Seller shall procure and maintain all Permits necessary for its performance under this Agreement, and shall pay its respective charges and fees in connection therewith.

14.3 NO DEDICATION

Any undertaking by one Party to the other under any provision of this Agreement shall not constitute the dedication of the Generating Facilities or any portion thereof to the public or to any portion thereof.

14.4 NON-WAIVER OF RIGHTS

Waivers of any rights hereunder must be in writing and shall not be implied from performance or usage of trade. The failure of either party to this Agreement to enforce or insist upon compliance with or strict performance of any of the terms or conditions hereof, or to take advantage of any of its rights hereunder, shall not constitute a waiver or relinquishment of any such terms, conditions or rights, but the same shall be and remain at all times in full force and effect.

14.5 HEADINGS

All titles, subject headings, section titles and similar items are provided for the purpose of reference and convenience and are not intended to be inclusive, definitive or to affect the meaning of the contents or scope of the Agreement.

14.6 NO THIRD PARTY BENEFICIARY

This Agreement shall not be construed to create rights in, or to grant remedies to, any third party (other than a permitted successor or assignee bound to this Agreement) as a beneficiary of this Agreement or any duty, obligation or undertaking established herein.

14.7 FORWARD CONTRACT

The Parties acknowledge and agree that this Agreement and the transactions contemplated by this Agreement constitute a "forward contract" within the meaning of the United States Bankruptcy Code.

14.8 GOVERNING LAW

This Agreement is made in the State of California and shall be interpreted and governed by the laws of the State of California without regard to conflict of law principles. The Parties agree that the courts of the State of California and the Federal Courts sitting therein shall have jurisdiction over any action or proceeding arising under the Agreement to the fullest extent permitted by Applicable Law. The Parties waive to the fullest extent permitted by Applicable Law any objection it may have to the laying of venue of any action or proceeding under this Agreement in any courts described in this Section 14.9.

14.9 NATURE OF RELATIONSHIP

- (a) The duties, obligations and liabilities of the Parties are intended to be several and not joint or collective. The Agreement shall not be interpreted or construed to create an association, joint venture, fiduciary relationship or partnership between Seller and the Buyer or to impose any partnership obligation or liability or any trust or agency obligation or relationship upon either Party. A Party shall not have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or act as or be an agent or representative of or otherwise bind the other Party.
- (b) Seller shall perform pursuant to this Agreement as an independent contractor and not as an officer, agent, servant, or employee of Buyer. Seller shall be solely responsible for the acts and omissions of its officers, agents, employees, contractors, and subcontractors, if any. Nothing herein shall be considered as creating a partnership or joint venture between the Buyer and Seller. No Person performing any services and/or supplying all goods shall be considered an officer, agent, servant, or employee of Buyer, nor shall any such Person be entitled to any benefits available or granted to employees of the Buyer.
- (c) Seller shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Seller's performing services and work, or any agent or employee of Seller providing same.
- (d) Any terms in this Agreement referring to direction from Buyer shall be construed as providing for direction as to policy and the result of Seller's work only, and not as to the means by which such a result is obtained. Buyer does not retain the right to control the means or the method by which Seller performs work under this Agreement.
- (e) Payment of Taxes and Other Expenses. Should Buyer, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Seller is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and

employer portions of the tax due (and offsetting any credits for amounts already paid by Seller which can be applied against this liability). Buyer shall then forward those amounts to the relevant taxing authority. Should a relevant taxing authority determine a liability for past services performed by Seller for the Buyer, upon notification of such fact by Buyer, Seller shall promptly remit such amount due or arrange with Buyer to have the amount due withheld from future payments to Seller under this Agreement (again, offsetting any amounts already paid by Seller which can be applied as a credit against such liability).

- (f) A determination of employment status pursuant to the 14.10 (e) shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Seller shall not be considered an employee of Buyer. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that Seller is an employee for any other purpose, then Seller agrees to a reduction in the Buyer's financial liability so that Buyer's total expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that Seller was not an employee.

14.10 NO SUBCONTRACTING BY SELLER WITHOUT WRITTEN BUYER APPROVAL

Seller is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by the Buyer in writing. Seller shall be responsible for directing the work of any approved subcontractors and for any compensation due to any approved subcontractors. Seller shall ensure that all Seller subcontractors comply with this Agreement and shall be responsible for such compliance. Seller shall require any or all subcontractors to sign an agreement requiring compliance with this Agreement. Buyer shall be the third party beneficiary of such agreement(s). However, Buyer assumes no responsibility whatsoever concerning compensation or any other responsibility or liability to subcontractors.

14.11 GOOD FAITH & FAIR DEALING

The Parties agree to act reasonably and in accordance with the principles of good faith and fair dealing in the performance of this Agreement. Unless expressly provided otherwise in this Agreement: (i) wherever the Agreement requires the consent, approval or similar action by a Party, such consent, approval or similar action shall not be unreasonably withheld or delayed; and (ii) wherever the Agreement gives a Party a right to determine, require, specify or take similar action with respect to matters, such determination, requirement, specification or similar action shall be reasonable.

14.12 SEVERABILITY

Should any provision of this Agreement be or become void, illegal or unenforceable, the validity or enforceability of the other provisions of this Agreement shall not be affected and shall continue in full force and effect. The Parties will, however, use their best endeavors to agree on the replacement of the void, illegal, or unenforceable provision(s)

with legally acceptable clauses that correspond as closely as possible to the sense and purpose of the affected provision.

14.13 COUNTERPARTS

This Agreement may be executed in two or more counterparts and by different Parties on separate counterparts, all of which shall be considered one and the same Agreement, and each of which shall be deemed an original.

14.14 COOPERATION

The Parties agree to reasonably cooperate with each other in the implementation and performance of the Agreement. Such duty to cooperate shall not require either Party to act in a manner inconsistent with its rights under this Agreement.

14.15 NECESSARY ACTS AND FURTHER ASSURANCES

The Seller shall at its own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

14.16 TIME OF THE ESSENCE

Time is of the essence in performance by the Seller.

14.17 CONSTRUCTION

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

14.18 ENTIRE AGREEMENT, INTEGRATION/MERGER CLAUSE

This Agreement together with all exhibits attached hereto, constitute the entire agreement between the Parties and supersedes any and all prior oral or written understandings. No amendment, addition to or modification of any provision hereof shall be binding upon the Parties, and neither Party shall be deemed to have waived any provision or any remedy available to it, unless such amendment, addition, modification or waiver is in writing and signed by a duly authorized officer or representative of the Parties.

14.19 NON-DISCRIMINATION

Seller shall comply with all applicable Federal, State, and local laws and regulations concerning nondiscrimination and equal opportunity in contracting. Such laws include but are not limited to the following: Title VII of the Civil Rights Act of 1964 as amended; Americans with Disabilities Act of 1990; The Rehabilitation Act of 1973 (Sections 503

and 504); California Fair Employment and Housing Act (Government Code sections 12900 et seq.); and California Labor Code sections 1101 and 1102, Seller shall not discriminate against any subcontractor, employee, or applicant for employment because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status in the recruitment, selection for training including apprenticeship, hiring, employment, utilization, promotion, layoff, rates of pay or other forms of compensation. Nor shall Seller discriminate in provision of services provided under this contract because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status.

14.20 NON-EXCLUSIVE CONTRACT

This Agreement does not establish an exclusive contract between the Buyer and the Seller for the purchase of electricity or power or any services. The Buyer expressly reserves all its rights, including but not limited to, the following: the right to utilize others to provide Electricity, products, support and services; the right to request proposals from others with or without requesting proposals from the Seller; and the unrestricted right to bid any such product, support or service.

14.21 MODIFICATION

This Agreement may be supplemented, amended, or modified only by the mutual agreement of the Parties.

14.22 HAZARDOUS SUBSTANCES

If any product being offered, delivered or supplied to the Buyer in connection with this Agreement is listed in the Hazardous Substances List of the Regulations of the Director of Industrial Relations with the California Occupational Safety and Health Standards Board, or if the product presents a physical or health hazard as defined in the California Code of Regulations, General Industry Safety Order, Section 5194 (T8CCR), Hazard Communication, the Contractor must include a Material Safety Data Sheet (MSDS) with delivery, or shipment. Each MSDS must reference the contract/purchase order number, and identify the "Ship To Address". All shipments and containers must comply with the labeling requirements of Title 49, Code of Federal Regulations by identifying the hazardous substance, name and address of manufacturer, and appropriate hazard warning regarding potential physical safety and health hazard.

14.23 DISENTANGLEMENT

Seller shall cooperate with Buyer and Buyer's other Sellers to ensure a smooth transition at the time of termination of this Agreement, regardless of the nature or timing of the termination. Seller shall cooperate with Buyer's efforts to ensure that there is no interruption of Electricity and no adverse impact on the provision of services or Buyer's activities. Seller shall return to Buyer all Buyer assets or information in Seller's possession. Seller shall deliver to Buyer or its designee, at Buyer's request, all

documentation and data related to Buyer, including, but not limited to, the Buyer Data and client files, held by Seller, and Seller shall destroy all copies thereof not turned over to Buyer, all at no charge to Buyer.

14.24. ACCOUNTABILITY

Seller will be the primary point of contact and assume the responsibility of all matters relating to the Agreement, including those involving the manufacturer and/or deliverer and/or any subcontractor, as well as payment issues. If issues arise, the Seller must take immediate action to correct or resolve the issues.

14.25 CONFLICT OF INTEREST

Seller warrants that it presently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of services required under this Agreement.

14.26 DAMAGE AND REPAIR BY SELLER

Any and all damages caused by Seller's negligence or operations shall be repaired, replaced or reimbursed by Seller at no charge to the Buyer. Repairs and replacements shall be completed within 72 hours of the incident unless the Buyer requests or agrees to an extension or another time frame. The cleanup of all damage related to accidental or intentional release of any/all nonhazardous or hazardous material (e.g. hydraulic fluid, fuel, grease, etc.) from Seller's vehicles or during performance shall be responsibility of the Seller. All materials must be cleaned up in a manner and time acceptable to Buyer (completely and immediately to prevent potential as well as actual environmental damage). Seller must immediately report each incident to the Buyer's Director of Facilities and Fleet Department. Damage observed by Seller, whether or not resulting from Seller's operations or negligence shall be promptly reported by Seller to Buyer. Buyer may, at its option, approve and/or dictate the actions that are in Buyer's best interests.

14.27 ACCESS AND RETENTION OF RECORDS AND PROVISION OF REPORTS

Seller shall maintain financial records adequate to show that Buyer funds paid were used for purposes consistent with the terms of the contract between Seller and Buyer. Records shall be maintained during the terms of the Agreement and for a period of three (3) years from its termination, or until all claims have been resolved, whichever period is longer, unless a longer period is required under any contract.

14.28 COOPERATION WITH REVIEW

Seller shall cooperate with Buyer's periodic review of Seller's performance. Such review may be conducted annually at the option of the Buyer. Seller shall make itself available to review the progress of the project and Agreement, as requested by the Buyer, upon reasonable advanced notice. Seller agrees to extend to the Buyer or his/her designees and/or designated auditor of the Buyer, the right to monitor or otherwise evaluate all

work performed and all records, including service records and procedures to assure that the project is achieving its purpose, that all applicable Buyer, State, and Federal regulations are met, and that adequate internal fiscal controls are maintained. The Seller shall be responsible for receiving, replying to, and complying with any audit exceptions set forth in Buyer audits. The Seller shall pay to Buyer the full amount of any overcharge determined to be due as a result of audit. This provision is in addition to other inspection and access rights specified in this Agreement.

14.29 DEBARMENT

Seller represents and warrants that it, its employees, Sellers, or agents are not suspended, debarred, or excluded from, or ineligible for, receiving Federal or state funds. Seller must within 30 calendar days advise the Buyer if, during the term of this Agreement, the Seller becomes suspended, debarred or excluded from, or ineligible for, receiving Federal or state funds.

14.30 CALIFORNIA PUBLIC RECORDS ACT

The Buyer is a public agency subject to the disclosure requirements of the California Public Records Act ("CPRA"). If Seller proprietary information is contained in documents or information submitted to Buyer, and Seller claims that such information falls within one or more CPRA exemptions, Seller must clearly mark such information "CONFIDENTIAL AND PROPRIETARY," and identify the specific lines containing the information. In the event of a request for such information, the Buyer will make best efforts to provide notice to Seller prior to such disclosure. If Seller contends that any documents are exempt from the CPRA and wishes to prevent disclosure, it is required to obtain a protective order, injunctive relief or other appropriate remedy from a court of law in Tehama County before the Buyer's deadline for responding to the CPRA request. If Seller fails to obtain such remedy within Buyer's deadline for responding to the CPRA request, Buyer may disclose the requested information. Seller further agrees that it shall defend, indemnify and hold Buyer harmless against any claim, action or litigation (including but not limited to all judgments, costs, fees, and attorneys fees) that may result from denial by Buyer of a CPRA request for information arising from any representation, or any action (or inaction), by the Seller.

14.31 DEBT LIABILITY DISCLAIMER

The Buyer, including, but not limited to, any source of funding for Buyer, any General Fund or any special self insurance program, is not liable for any debts, liabilities, settlements, liens, or any other obligations of the Seller or its heirs, successors or assigns. The Buyer shall not be liable for and shall be held harmless and indemnified by Seller for any claims or damages arising out of any other contract to which Seller is a party, tort, action or inaction, negligent error in judgment, act of negligence, intentional tort, negligent mistakes or other acts taken or not taken by the Seller, its employees, agents, servants, invitees, guests or anyone acting in concert with or on behalf of the Seller. The Buyer and its agencies and divisions, including, has no obligation to defend or undertake the defense on behalf of the Seller or its heirs, successors or assigns.

14.32 USE OF BUYER'S NAME FOR COMMERCIAL PURPOSES

Seller may not use the name of the Buyer or reference any endorsement from the Buyer in any fashion for any purpose, without the prior express written consent of the Buyer as provided by the Director of Facilities and Fleet Department.

14.33 ACCOUNT MANAGER

Seller must assign an Account Manager to the Buyer to facilitate the contractual relationship, be fully responsible and accountable for fulfilling the Buyer's requirements. Seller represents and warrants that such Person will ensure that the Buyer receives adequate support, problem resolution assistance and required information on a timely basis.

14.34 TITLE TO GENERATING FACILITIES

Throughout the duration of the Agreement, Seller or Seller's Financing Party shall be the legal and beneficial owner of the Generating Facility at all times, and the Generating Facility shall remain the personal property of Seller or Seller's Financing Party and shall not attach to or be deemed a part of, or fixture to, the Site. The Generating Facility shall at all times retain the legal status of personal property as defined under Article 9 of the Uniform Commercial Code. Buyer covenants that it will use reasonable commercial efforts to place all parties having an interest in or lien upon the real property comprising the Site on notice of the ownership of the Generating Facility and the legal status or classification of the Generating Facility as personal property. If there is any mortgage or fixture filing against the Site which could reasonably be construed as attaching to the Generating Facility as a fixture of the Site, Buyer shall provide, at Seller's request, a disclaimer or release from such lien holder. If Buyer is the fee owner of the Site, Buyer consents to the filing by Seller, on behalf of Buyer, of a disclaimer of the Generating Facility as a fixture of the Site in the office where real estate records are customarily filed in the jurisdiction of the Site. If Buyer is not the fee owner, Buyer will, at Seller's request, use commercially reasonable efforts to obtain such consent from such owner

By signing below, signatory warrants and represents that he/she executed this Agreement in his/her authorized capacity, that he/she has the authority to bind the entity listed to contractual obligations and that by his/her signature on this Agreement, the entity on behalf of which he/she acted, executed this Agreement.

CITY OF CORNING, CA:

John Brewer
City Manager, City of Corning

Approval as to Form:

Attest:

FRESH AIR ENERGY XXVI, LLC.

Erik Stuebe
President

EXHIBITS INCORPORATED INTO AGREEMENT

- Exhibit 1 – Description of Generating Facilities
- Exhibit 2 – Sites Descriptions
- Exhibit 3 – Base Contract Price
- Exhibit 4 – Expected Contract Quantity Form
- Exhibit 5– Form of Attestation
- Exhibit 6 – Insurance Requirements
- Exhibit 7 – Site License
- Exhibit 8 – Panel and Inverter Warranties
- Exhibit 9 – General Conditions – Financing Parties
- Exhibit 10 – Design and Construction Requirements

Exhibit 1
Description of Generating Facilities

The Generating Facilities consist of the following:

1. An approx. 707KW solar photovoltaic fixed-tilt ground mounted Generating Facility, consisting of approx. 2,360 panels, inverters, and racking located at 25010 Gardiner Ferry Rd., Corning, CA 96021.

NOTE: Generating Facility sizes may change subject to final system design.

Exhibit 2
Site Description

The Generating Facility(ies) will be installed at the following Address(es):

1. 25010 Gardiner Ferry Rd., Corning, CA 96021

Exhibit 3

Base Contract Price

The Contract Prices for the Generating Facilities are:

- 1). For CWWTP: \$0.117, escalating at 2.5% per Annum.

Exhibit 4

Expected Annual Contract Quantity Form

(Annual KWH projected output)

	CWWTP
YR 1	1,150,540
YR 2	1,144,787
YR 3	1,139,035
YR 4	1,133,282
YR 5	1,127,529
YR 6	1,121,777
YR 7	1,116,024
YR 8	1,110,271
YR 9	1,104,518
YR 10	1,098,766
YR 11	1,093,013
YR 12	1,087,260
YR 13	1,081,508
YR 14	1,075,755
YR 15	1,070,002
YR 16	1,064,250
YR 17	1,058,497
YR 18	1,052,744
YR 19	1,046,991
YR 20	1,041,239
Total	21,917,781

NOTE: Expected Contract Quantity is subject to change pro-rata, based on final system sizes identified in Exhibit 1.

Exhibit 5

Form of Attestation

Environmental Attribute Attestation and Bill of Sale Fresh Air Energy – XXVI LLC. (“Seller”) hereby sells, transfers and delivers to the City of Corning, CA (“Buyer”) the Environmental Attributes and Environmental Attributes Reporting Rights associated with the generation of the indicated energy for delivery to the grid (as such terms are defined in the Power Purchase Agreement (“Agreement”) dated August 1st, 2014 between Buyer and Seller) arising from the generation for delivery to the grid of the energy by the Generating Facility described below:

Facility name and location: CWWTP at 25010 Gardiner Ferry Rd., Corning, CA 96021
Project Name: CWWTP
EIA ID #: TBD
CEC ID#: TBD
Meter ID#: TBD
Fuel Type: Solar Photovoltaic
Capacity (KW): CWWTP – approx. 707 KW
Commercial Operation Date: TBD
Dates MWhs generated Dates MWhs generated
TBD

In the amount of one Environmental Attribute for each megawatt hour generated; and Seller further attests, warrants and represents as follows:

1. To the best of its knowledge, the information provided herein is true and correct;
2. This transfer to Buyer is the one and only sale of the Environmental Attributes and associated Environmental Attributes Reporting Rights referenced herein;
3. The Facility generated and delivered to the grid the energy in the amount indicated as undifferentiated energy; and

(Check one)

Seller owns the facility.

To the best of Seller’s knowledge, each of the Environmental Attributes associated with the generation of the indicated energy for delivery to the grid have been generated and sold by the Facility.

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

Contact Person: Name: _____ Phone: _____

WITNESS MY HAND,

Seller: _____

By: _____

Title: _____

Date: _____

Exhibit 6

Insurance Requirements

1. DESIGN PHASE INSURANCE REQUIREMENTS

Insurance

Without limiting the Seller's indemnification of the Authority, the Seller shall provide and maintain at its own expense, during the term of this Agreement, or as may be further required herein, the following insurance coverages and provisions:

A. Evidence of Coverage

Prior to commencement of formal design and engineering process, the Seller shall provide a Certificate of Insurance certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, a certified copy of the policy or policies shall be provided by the Seller upon request.

This verification of coverage shall be sent to the requesting Authority department, unless otherwise directed. The Seller shall not receive a Notice to Proceed with the work under the Agreement until it has obtained all insurance required and such insurance has been approved by the Authority. This approval of insurance shall neither relieve nor decrease the liability of the Seller.

B. Qualifying Insurers

All coverages, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- V, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the Authority's Risk Manager.

C. Notice of Cancellation

All coverage as required herein shall not be canceled or changed so as to no longer meet the specified Authority insurance requirements without 30 days' prior written notice of such cancellation or change being delivered to the City of Coming Authority or their designated agent.

D. Insurance Required

1. Commercial General Liability Insurance for bodily injury (including death) and property damage which provides limits as follows:

- a. Each occurrence - \$1,000,000
- b. General aggregate - \$2,000,000
- c. Personal Injury - \$1,000,000

2. General liability coverage shall include:

- a. Premises and Operations
- b. Personal Injury liability
- c. Severability of interest

3. General liability coverage shall include the following endorsement, a copy of which shall be provided to the Authority:

Additional Insured Endorsement, which shall read:

“City of Corning, its elected officials, officers, agents, volunteers and employees, individually and collectively, as additional insureds.”

Insurance afforded by the additional insured endorsement shall apply as primary insurance, and other insurance maintained by the City of Corning, its officers, agents, and employees shall be excess only and not contributing with insurance provided under this policy. Public Entities may also be added to the additional insured endorsement as applicable and the Seller shall be notified by the contracting department of these requirements.

4. Automobile Liability Insurance

For bodily injury (including death) and property damage which provides total limits of not less than one million dollars (\$1,000,000) combined single limit per occurrence applicable to all owned, non owned and hired vehicles.

5. Workers' Compensation and Employer's Liability Insurance

a. Statutory California Workers' Compensation coverage including broad form all states coverage.

b. Employer's Liability coverage for not less than one million dollars (\$1,000,000) per occurrence.

6. Professional Errors and Omissions Liability Insurance

- a. Coverage shall be in an amount of not less than two million dollars (\$2,000,000) per occurrence/aggregate.
- b. If coverage contains a deductible or self-retention, it shall not be greater than fifty thousand dollars (\$50,000) per occurrence/event.
- c. Coverage as required herein shall be maintained for a minimum of two years following termination or completion of this Agreement.

7. Claims Made Coverage

If coverage is written on a claims made basis, the Certificate of Insurance shall clearly state so. In addition to coverage requirements above, such policy shall provide that:

- a. Policy retroactive date coincides with or precedes the Consultant's start of work (including subsequent policies purchased as renewals or replacements).
- b. Policy allows for reporting of circumstances or incidents that might give rise to future claims.

E. Special Provisions

The following provisions shall apply to this Agreement:

1. The foregoing requirements as to the types and limits of insurance coverage to be maintained by the Seller and any approval of said insurance by the Authority or its insurance consultant(s) are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Seller pursuant to this Agreement, including but not limited to the provisions concerning indemnification.
2. The Authority acknowledges that some insurance requirements contained in this Agreement may be fulfilled by self insurance on the part of the Seller. However, this shall not in any way limit liabilities assumed by the Seller under this Agreement. Any self insurance shall be approved in writing by the Authority upon satisfactory evidence of financial capacity. Seller's obligation hereunder may be satisfied in whole or in part by adequately funded self-insurance programs or self-insurance retentions.
3. Should any of the work under this Agreement be sublet, the Seller shall require each of its subcontractors of any tier to carry the aforementioned coverages, or Seller may insure subcontractors under its own policies.
4. The Authority reserves the right to withhold payments to the Seller in the event of material noncompliance with the insurance requirements outlined above.

2. CONSTRUCTION PHASE INSURANCE REQUIREMENTS

Insurance

Without limiting the Seller's indemnification of the Authority, the Seller shall provide and maintain at its own expense, during the term of this Agreement, or as may be further required herein, the following insurance coverages and provisions:

A. Evidence of Coverage

Prior to commencement of Construction, the Seller shall provide a Certificate of Insurance certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier must accompany the certificate. In addition, a certified copy of the policy or policies shall be provided by the Seller upon request.

This verification of coverage shall be sent to the requesting Citydepartment, unless otherwise directed. The Seller shall not receive a Notice to Proceed with the work under the Agreement until it has obtained all insurance required and such insurance has been approved by the Authority. This approval of insurance shall neither relieve nor decrease the liability of the Seller.

B. Qualifying Insurers

1. All coverages, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- V, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the Authority's Risk Manager.

C. Notice of Cancellation

All coverage as required herein shall not be canceled or changed so as to no longer meet the specified Authority insurance requirements without 30 days prior written notice of such cancellation or change being delivered to the City of Corning Authority or their designated agent.

D. Insurance Required

1. Commercial General Liability Insurance for bodily injury (including death) and property damage which provides limits as follows:

- a. Each occurrence - \$2,000,000
- b. General aggregate - \$4,000,000
- c. Products/Completed Operations aggregate ** - \$4,000,000
- d. Personal Injury - \$2,000,000

A minimum of 50% of each of the aggregate limits must remain available at all times unless coverage is project specific.

2. General liability coverage shall include:

- a. Premises and Operations
- b. **Products/Completed Operations with limits of four million dollars (\$4,000,000) per aggregate to be maintained for three (3) years following acceptance of the work by the Authority.
- c. Contractual Liability expressly including liability assumed under this Agreement. If the Seller is working within fifty (50) feet of a railroad or light rail operation, any exclusion as to performance of operations within the vicinity of any railroad bridge, trestle, track, roadbed, tunnel, underpass or crossway shall be deleted, or a railroad protective policy provided.
- d. Personal Injury liability
- e. Owners' and Sellers' Protective liability
- f. Severability of interest
- g. Explosion, Collapse, and Underground Hazards (X, C and U)
- h. Broad Form Property Damage liability

3. General liability coverage shall include the following endorsements, copies of which shall be provided to the Authority:

- a. Additional Insured Endorsement, which shall read:

“City of Corning, and elected officials, officers, agents, volunteers and employees, individually and collectively, as additional insureds.”

Insurance afforded by the additional insured endorsement shall apply as primary insurance, and other insurance maintained by the City of Corning, its officers, agents, volunteers and employees shall be excess only and not contributing with insurance provided

under this policy. Public Entities may also be added to the additional insured endorsement as applicable and the Seller shall be notified by the contracting department of these requirements.

b. Contractual Liability Endorsement:

Insurance afforded by this policy shall apply to liability assumed by the insured under written contract with the City of Corning.

c. X C & U (Explosion, Collapse and Underground) Endorsement:

Insurance afforded by this policy shall provide X, C and U Hazards coverage.

4. Claims Made Coverage

If coverage is written on a claims made basis, the Certificate of Insurance shall clearly state so. In addition to coverage requirements above, such policy shall provide that:

a. Policy retroactive date coincides with or precedes the Seller's start of work (including subsequent policies purchased as renewals or replacements).

b. Seller will make every effort to maintain similar insurance during the required extended period of coverage following project completion, including the requirement of adding all additional insureds.

c. If insurance is terminated for any reason, Seller agrees to purchase an extended reporting provision of at least two years to report claims arising from work performed in connection with this Agreement or Permit.

d. Policy allows for reporting of circumstances or incidents that might give rise to future claims.

5. Automobile Liability Insurance

For bodily injury (including death) and property damage which provides total limits of not less than one million dollars (\$1,000,000) combined single limit per occurrence applicable to all owned, non owned and hired vehicles.

6. Workers' Compensation and Employer's Liability Insurance

a. Statutory California Workers' Compensation coverage including broad form all states coverage.

b. Employer's Liability coverage for not less than one million dollars (\$1,000,000) per occurrence.

7. Sellers' Equipment Insurance

On an "all risk" basis covering equipment owned, leased, or used by the Seller. If the total value of equipment is less than \$100,000 Seller may self-insure this exposure. If total equipment value is \$100,000 or more, insurance is required. Such insurance shall include an insurer's waiver of subrogation in favor of the Authority. Seller shall indemnify, defend, and hold harmless the Authority for any loss or damage to its equipment. This coverage may be waived by the Insurance Manager, but the Seller hereby releases and holds harmless the Authority for any loss or damages to its equipment.

E. Special Provisions

The following provisions shall apply to this Agreement:

1. The foregoing requirements as to the types and limits of insurance coverage to be maintained by the Seller and any approval of said insurance by the City or its insurance consultant(s) are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Seller pursuant to this Agreement, including but not limited to the provisions concerning indemnification.

2. The Authority acknowledges that some insurance requirements contained in this Agreement may be fulfilled by self insurance on the part of the Seller. However, this shall not in any way limit liabilities assumed by the Seller under this Agreement. Any self insurance shall be approved in writing by the Authority upon satisfactory evidence of financial capacity. Seller's obligation hereunder may be satisfied in whole or in part by adequately funded self-insurance programs or self-insurance retentions.

3. Should any of the work under this Agreement be sublet, the Seller shall require each of its subcontractors of any tier to carry the aforementioned coverages, or Seller may insure subcontractors under its own policies.

4. The Authority reserves the right to withhold payments to the Seller in the event of material noncompliance with the insurance requirements outlined above.

3. OPERATIONS AND MAINTENANCE PHASE INSURANCE REQUIREMENTS

Insurance

Without limiting the Seller's indemnification of the Authority, Seller, shall at its own expense, provide and maintain the following insurance coverage in full force and effect after the Commercial Operation Date:

A. Evidence of Coverage

Prior to Commercial Operation Date, Seller shall provide a Certificate of Insurance

certifying that coverage as required has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, a copy of the policy or policies shall be provided by Seller upon request.

A periodic review/change of insurance requirements may be made every five years to ensure appropriate coverage by Authority standards is in place.

B. Qualifying Insurers

All policies shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- V, according to the current Best's Key Rating Guide, unless otherwise approved by Authority's Risk Manager.

C. Notice of Cancellation

All coverage as required herein shall not be canceled or changed so as to no longer meet the specified Authority insurance requirements without 30 days' prior written notice of such cancellation or change being delivered to the City of Corning or their designated agent.

D. Insurance Required

1. Commercial General Liability Insurance - for bodily injury (including death) and property damage which provides limits as follows:

- a. Each occurrence - \$2,000,000
- b. General aggregate - \$4,000,000
- c. Personal Injury - \$2,000,000

2. General liability coverage shall include:

- a. Premises and Operations
- b. Personal Injury liability
- f. Severability of interest

3. General liability coverage shall include the following endorsement, a copy of which shall be provided to the Authority:

Additional Insured Endorsement, which shall read:

“City of Corning, and its elected officials, employees, officers, agents, and

volunteers of the City of Corning, individually and collectively, as additional insured's."

Insurance afforded by the additional insured endorsement shall apply as primary insurance, and other insurance maintained by the City of Corning, its elected officials, officers, employees, agents, and volunteers shall be excess only and not contributing with insurance provided under this policy.

4. Automobile Liability Insurance

For bodily injury (including death) and property damage which provides total limits of not less than one million dollars (\$1,000,000) combined single limit per occurrence applicable to all owned, non-owned and hired vehicles.

5. Workers' Compensation and Employer's Liability Insurance

- a. Statutory California Workers' Compensation coverage including broad form all-states coverage.
- b. Employer's Liability coverage for not less than one million dollars (\$1,000,000) per occurrence.

Exhibit 7

SITE LICENSE

RECITALS

WHEREAS, the _____ (“Buyer”) and _____ (“Seller”) plan to enter into Solar Power & Service Agreements (“SPSA”) pursuant to which Seller will install, finance, operate and maintain a solar photovoltaic system (“Generating Facility” or “Generating Facilities”) on Buyer’s property at _____

_____ (“Sites”); and

WHEREAS, Buyer plans to purchase the energy produced by the photovoltaic system located on the Site or Sites.

NOW THEREFORE, the Buyer and Seller hereby enter into this license agreement as of August _____, 2014.

1. The Buyer hereby grants Seller and to Seller’s agents, employees, contractors, and subcontractors throughout the Term (as defined in the PPA) and for a reasonable period after the Term, but in no case later than one hundred eighty (180) calendar days, to remove the applicable Generating Facility or Generating Facilities and restore the Sites pursuant to this Agreement of each of the applicable Generating Facility, an irrevocable commercial license (“License”) for the installation, operation, and maintenance of the Generating Facilities, including commercially reasonable access to, on, over, under and across the Sites.
2. Prior to accessing the Sites, Seller must give Buyer reasonable written or telephonic notice before any entry onto the Sites by Seller’s employees, agents or contractors in order for Buyer to ensure access to the Site for Seller. Buyer will make available to Seller access to the Sites solely for the purposes set forth herein. Notwithstanding anything to the contrary in this License, Seller shall be permitted to access the Sites twenty-four (24) hours a day, seven (7) days a week for emergency purposes, as reasonably determined by Seller. Within twenty-four (24) hours of such emergency access, Seller shall provide Buyer with a written explanation of the nature of the emergency. All such emergency work shall be diligently prosecuted to completion in order that such work shall not remain in a partly finished condition any longer than necessary for completion.
3. The Generating Facilities are the personal property of Seller and shall not be considered the property (personal or otherwise) of Buyer upon installation of the applicable Generating Facilities at the applicable Sites. Each Generating Facility is more particularly described in the PPAs.
4. The Generating Facilities shall not be considered a fixture of the applicable Sites. Accordingly, Buyer hereby grants Seller and any Financing Party (as defined in the PPA) the right to file any UCC-1 financing statement or fixture filing that confirms its interest in the applicable Generating Facility or Generating Facilities.

5. Seller or its designee approved by Buyer shall have the right without cost to access the Premises in order to perform its obligations under each of the applicable PPAs. Buyer will not charge Seller any rent for such right to access the Sites.
6. The Financing Parties have a first priority perfected security interest in the Generating Facilities.
7. During the Term, Seller's access rights are preserved and Buyer shall not interfere with or permit any third party to interfere with such rights or access. The License granted hereunder shall be irrevocable except upon expiration or earlier termination of one of the applicable PPAs, in which case, this License shall only be revocable as it relates to the applicable PPA which has expired or earlier terminated. Provider shall have access to the Premises of the applicable PPA or PPAs beyond the Term for the purpose of removing the applicable Generating Facility or Generating Facilities, as provided in Section _____ of the General Conditions.
8. Upon any rejection or other termination of any one or more of the PPAs pursuant to any process undertaken with respect to Seller under the United States Bankruptcy Code, at the request of any Financing Party made within ninety (90) days of such termination or rejection, Buyer shall grant a new license in favor of the Financing Parties or their designees on substantially the same terms as this License.
9. Buyer will not take any action inconsistent with the foregoing.

 Erik Stuebe, President
 Fresh Air Energy-XXVI

 Date

 Date

APPROVED AS TO FORM:

 , Attorney, City of Corning, CA

Exhibit 8

Panel and Inverter Warranties

Seller hereby represents the following with regard to equipment warranties:

- 1) Generating Facility Warranty will comply with CSI Warranty and CPUC Code 387.5(d)(4) requirements
- 2) Solar PV Panels utilized in Generating Facilities will include 20 – 25 Year performance Warranty.
- 3) Inverters utilized in Generating Facilities will include minimum 20 Year Warranty.
- 4) After Buyer's notice that it elects to exercise its option to purchase and upon payment of the Purchase Price, Solar PV Panel and Inverter Warranties shall be transferred to Buyer. Solar PV Panel and Inverter Warranties shall also be transferred to Buyer in the event Buyer assumes ownership of Generating Facilities as a result Default by Seller under this Agreement.

Exhibit 9

General Conditions – Financing Parties

Buyer acknowledges that Seller will be financing the installation of the Generating Facilities either through a lessor, lender or with financing accommodations from one or more financial institutions and that the Seller may sell or assign the Generating Facilities and/or may secure the Seller's obligations by, among other collateral, a pledge or collateral assignment of this Agreement and a first security interest in the Generating Facilities. In order to facilitate such necessary sale, conveyance, or financing, and with respect to any such financial institutions of which Seller has notified Buyer in writing Buyer agrees as follows:

- (a) Consent to Collateral Assignment. Buyer consents to either the sale or conveyance to a lessor or the collateral assignment by Seller to the Lender that has provided financing of the Generating Facilities, of the Seller's right, title and interest in and to this Agreement.
- (b) Notices of Default. Buyer will deliver to the Financing Party, concurrently with delivery thereof to Seller, a copy of each notice of default given by Buyer under the Agreement, inclusive of a reasonable description of Seller default. No such notice will be effective absent delivery to the Financing Party. Buyer will not mutually agree with Seller to terminate the Agreement without the written consent of the Financing Party.
- (c) Rights Upon Event of Default. Notwithstanding any contrary term of this Agreement:
 - i. The Financing Party, as collateral assignee, shall be entitled to exercise, in the place and stead of Seller, any and all rights and remedies of Seller under this Agreement in accordance with the terms of this Agreement and only in the event of Seller's or Buyer's default, the Financing Party shall also be entitled to exercise all rights and remedies of secured parties generally with respect to this Agreement and the Generating Facility.
 - ii. The Financing Party shall have the right, but not the obligation, to pay all sums due under this Agreement and to perform any other act, duty or obligation required of Seller thereunder or cause to be cured any default of Seller thereunder in the time and manner provided by the terms of this Agreement. Nothing herein requires the Financing Party to cure any default of Seller under this Agreement or (unless the Financing Party has succeeded to Seller's interests under this Agreement) to perform any act, duty or obligation of Seller under this Agreement, but Buyer hereby gives it the option to do so.
 - iii. Upon the exercise of remedies under its security interest in the Generating Facility, including any sale thereof by the Financing Party, whether by judicial proceeding, or under any power of sale contained therein, or any conveyance from Seller to the Financing Party (or any assignee of the Financing Party) in lieu thereof, the Financing Party shall give notice to Buyer of the transferee or assignee of this Agreement. Any such exercise of remedies shall not constitute a default under this Agreement.

iv. Upon any rejection or other termination of this Agreement pursuant to any process undertaken with respect to Seller under the United States Bankruptcy Code, at the request of the Financing Party made within ninety (90) days of such termination or rejection, Buyer shall enter into a new agreement with the Financing Party or its assignee having the same terms and conditions as this Agreement.

(d) Right to Cure.

i. Buyer will not exercise any right to terminate or suspend this Agreement unless it shall have given the Financing Party prior written notice by sending notice to the Financing Party (at the address provided by Seller) of its intent to terminate or suspend this Agreement, specifying the condition giving rise to such right, and the Financing Party shall not have caused to be cured the condition giving rise to the right of termination or suspension within thirty (30) days after such notice or (if longer) the periods provided for in this Agreement. The Parties respective obligations will otherwise remain in effect during any cure period; provided that if such Seller default reasonably cannot be cured by the Financing Party within such period and the Financing Party commences and continuously pursues cure of such default within such period, such period for cure will be extended for a reasonable period of time under the circumstances, such period not to exceed additional ninety (90) days.

ii. If the Financing Party (including any Buyer or transferee), pursuant to an exercise of remedies by the Financing Party, shall acquire title to or control of Seller's assets and shall, within the time periods described in Subsection (c)(i). above, cure all defaults under this Agreement existing as of the date of such change in title or control in the manner required by this Agreement and which are capable of cure by a third person or entity, then such person or entity shall no longer be in default under this Agreement, and this Agreement shall continue in full force and effect.

Schedule 1
Notice Information

Buyer:

Seller:

Financing Party

[To be provided by Seller when known.]

Exhibit 10

DESIGN AND CONSTRUCTION PHASE SERVICES

1. DESIGN PHASE

1.1. Standard of Care

- Seller must perform Services in accordance with those standards of care that are generally recognized as being used by competent persons in its area of specialty in the State of California.
- Seller must perform Services in compliance with all applicable federal, state and local codes, statutes, laws, regulations and ordinances, including environmental, energy conservation, and disabled access requirements.
- All designs must comply with all regulations and standards of the Fire Marshal having jurisdiction over the Project.
- Seller must use its best efforts to verify interpretations of applicable law, codes, regulations, and ordinances, from the appropriate Government Agency(s) and authorities having jurisdiction over the Project. Such efforts will be undertaken in accordance with the acceptable standard of care for this type of Project.

1.2. Signing and Stamping Documents

- Final Construction Documents and other submittal documents must be signed and stamped by the Design Professional(s) as appropriate to the discipline of Work.

1.3. Insurance Requirements

- Seller's must meet the insurance requirements as set forth in Exhibits 6 (A and B) for design and construction phases of the Work.

2. PERMITS FROM THE OFFICE OF AGENCY BUILDING DEPARTMENT (BUILDING OFFICIAL)

2.1. OVERVIEW

- Installation and Acceptance Permits are required from the Office of the Building Department (Building Official), having the jurisdiction of the project.
- The Seller is responsible for completing the installation permit application, submitting the permit application to the Building Official, and receiving the approved permit before proceeding with Work. The Building Official shall conduct compliance inspections, and final acceptance inspections, of the Seller's work related above items of work. The "compliance inspections" are for Fire Marshal compliance only and do not relieve the Seller from performing all work to the standards established by the entirety of the contract documents.

2.2. SUBMITTALS

- 2.2.1. A completed permit application to the Building Official; and

2.2.2. A copy of the Plans and Specifications to the Buyer for information.

2.3. FEES

2.3.1. The Seller is responsible for payment of all fees for the permit.

3. FIRE PROTECTION PLAN

3.1. DEFINITIONS

3.1.1. Hot Work - Hot work includes any operations capable of initiating fires or explosions, including cutting, welding, brazing, soldering, grinding, thermal spraying, thawing pipe, torch applied roofing, or any other similar activity.

3.1.2. Fire Marshal – Office of the Fire Marshal, Milpitas City

3.1.3. SD&S No. SI-7 – Fire Marshal Standard Details & Specifications Number SI-7
(Construction Site Fire Safety)

3.2. FIRE PROTECTION PLAN REQUIREMENTS

3.2.1. Seller must prepare and submit a written Fire Protection Plan. Submission of the Plan may be phased. See 1.06 below.

3.2.2. The written Fire Protection Plan must meet the requirements of the Contract Documents and be consistent with the fire safety precautions specified in SD&S No. SI-7.

3.2.3. At a minimum, the fire protection plan must include:

3.2.3.1. The name and contact phone number of the person(s) responsible for compliance with the Fire Protection Plan.

3.2.3.2. Procedures for:

- Reporting emergencies to the fire department.
- Emergency notification, evacuation and/or relocation of all persons at Project Site.
- Hot Work operations
- Management of hazardous materials
- Removal of combustible debris
- Emergency ingress and egress

3.3. IMPLEMENTATION

- 3.3.1. Seller is responsible for implementation of the requirements and provisions of the approved Fire Protection Plan.
- 3.3.2. Seller is responsible for communicating the requirements of the Fire Protection Plan to all Subcontractors and other personnel working at the Project Site.

3.4. SUBMISSION

- 3.4.1. Submit two (2) copies of a Fire Protection Plan to Buyer.
- 3.4.2. Submission of the Plan may be phased. City Fire Marshal and Buyer must approve the Fire Protection Plan prior to Seller performing Work at the Project Site. Fire Marshal review time is 15 working days.

3.5. INSPECTION AND TESTING

- 3.5.1. The Seller is required to commission all systems of these documents.

3.6. USE OF PROJECT SITE

- 3.6.1. Seller must confine operations at the Project Site to areas permitted by law, ordinances, permits and the Contract Documents, and must not unreasonably encumber the Project Site with any materials, equipment, temporary structures, or temporary measures.
- 3.6.2. Seller's employees, or others subject to the Seller's control, are not permitted to reside on the Project Site in temporary living facilities.

3.7. WORKPLACE ENVIRONMENT

- 3.7.1. The use or possession of alcohol, weapons, or illegal controlled substances by the Seller, or others subject to the Seller's control, on Authority property is prohibited.
- 3.7.2. The Seller must ensure and maintain a workplace environment free of personal harassment and intimidation.
- 3.7.3. Conduct that creates an intimidating, hostile, or offensive workplace environment is prohibited. Such conduct includes, but is not limited to, the following:
 - Verbal harassment, e.g., epithets, derogatory comments, or slurs;
 - Physical harassment, e.g., assault, impeding or blocking movement, gestures, staring, or any physical interference with normal work or movement;
 - Visual forms of harassment, e.g., derogatory posters, letters, poems, graffiti, cartoons, or drawings.
- 3.7.4. Unwelcome and unwanted sexual advances constitute sexual harassment that is prohibited. For example, requests for sexual favors and verbal or physical conduct of a sexual nature are prohibited.
- 3.7.5. It is the responsibility of the Seller to:
 - Inform its employees and Subcontractors that behavior that creates an intimidating, hostile, or offensive workplace environment is prohibited;
 - Create a workplace environment that is free from harassment; and,
 - Take corrective action to stop prohibited behavior/conduct.

3.7.6. If in the opinion of the Buyer's Authorized Representative, any employee of the Seller or Seller's Subcontractors violate the prohibitions per this section, Seller must immediately remove that person or Subcontractor from the Project upon Buyer's request, and such person or Subcontractor must not be permitted to perform further Work on the Project Site.

3.8. DISRUPTION OF BUYER'S NORMAL OPERATIONS

3.8.1. Seller must give timely advance notice to Buyer of Work that is likely to be disruptive to Buyer's normal operations at or near the Project Site. If Seller does not so advise Buyer, Buyer has the right to temporarily suspend Seller's Work or to require Seller to modify its Work operations to eliminate any disruption, and Seller is not entitled to any adjustment in the Contract Sum or Contract Time for any delay or additional costs associated therewith.

3.9. CLEANUP

3.9.1. Seller must continuously keep the Project Site and surrounding areas free from waste materials and/or rubbish caused by its operations or rubbish from any source that accumulates within the Project Site and any other area designated by the Buyer's Project Manager for use by the Seller.

3.9.2. When cleanup is paid for as a separate Bid item, full compensation for such work must be included in the Bid price for cleanup.

3.9.3. When the Bid price is a lump sum, or there is no unit price item for cleanup, full compensation for cleanup will be considered to have been included in the various items of Work.

3.9.4. Seller must, before certifying that the entire Work of the Project is complete and/or requesting Milestone Completion inspection, clean material storage sites and all ground occupied or affected in connection with the Work or designated portion of the Work, and must leave all parts of the Project in a neat and presentable condition satisfactory to Buyer's Project Manager.

3.9.5. Upon completion of the Work or any designated part thereof, Seller must promptly remove all its waste materials, rubbish and debris, and all its tools, construction equipment, machinery and surplus materials from the Project area or the completed part.

3.9.6. If the Seller fails to clean up as required by the Contract Documents, Buyer may do so and the cost thereof will be charged to the Seller and deducted from progress payments due or to become due to the Seller.

3.10. DISPOSAL OF MATERIAL OUTSIDE PROJECT AREA

3.10.1. Seller is responsible for making all arrangements and paying all costs for disposal of materials outside the Project area.

3.10.2. When any material is to be disposed of outside the Project area, at other than a public disposal site, Seller must first obtain a written consent from the property Buyer of the proposed disposal site, and furnish Buyer a copy of said consent. Property Buyer's written consent must acknowledge receipt of the soils testing report, if any, for the materials to be disposed.

3.10.3. Disposal of Hazardous Materials must comply with all legal requirements, including but not limited to containerization, labeling, manifesting, transportation, disposal site, and use of properly trained personnel. No later than 15 Days after Seller's request for

Final Inspection, Seller must submit copies of all Hazardous Waste Manifests signed by Toxic Substances Disposal Facilities ("TSDF's") and certificates of disposal, to prove that Seller has legally disposed of such materials. Submit four (4) copies of each manifest.

3.11. HAZARDOUS MATERIALS

- 3.11.1. Seller must comply with all Federal, State, City and local laws, statutes, ordinances and other regulations covering the use, storage, transportation and disposal of any Hazardous Materials on the Project. Seller must obtain all permits and pay all fees and taxes for all services and materials required to perform the Project.
- 3.11.2. The term "Hazardous Materials" as used herein means any material that, because of its quantity, concentration, or physical or chemical characteristics, poses a significant present or potential hazard to human health and safety or to the environment if released into the workplace of the environment.
- 3.11.3. Prior to starting Work, Seller must submit to Buyer six (6) copies of a list of all Hazardous Materials expected to be used on the Project. Seller must keep a copy of the list at the Project Site. This list must include but not be limited to any cleaners, solvents, paints or explosive charges used in the Work. Seller must submit one (1) copy of OSHA Form 20 – Material Safety Data Sheet ("MSDS") for each material listed and must advise every person at or near the Project Site of these materials, of proper handling, and of proper action in case of accident or exposure.
- 3.11.4. Seller must safely contain and store all its Hazardous Materials, and in the event of spill or discharge, must immediately notify all required Federal, State, City and local agencies including the fire department. Seller must protect personnel from exposure and provide treatment as necessary.
- 3.11.5. Seller must immediately advise Buyer of any potentially Hazardous Materials encountered at the Project Site and must take all necessary action to prevent exposure of personnel until the material is identified and proper action can be taken.
- 3.11.6. Seller must not store or use any Hazardous Materials near air intakes or doors and windows serving persons on or off the Project Site without proper protection and safeguards to prevent exposure.
- 3.11.7. Seller must exercise all required precautions and safeguards in the storage, use and disposal of Hazardous Materials. Nothing in this, relieves Seller of responsibility for compliance with all applicable laws and statutes, or other provisions of the Contract, particularly Seller's responsibility for damage and preservation of life and property

3.12. AIR POLLUTION CONTROL

- 3.12.1. Seller and each Subcontractor must comply with all air pollution control rules, regulations, ordinances, statutes, and Project specific permit requirements of the Bay Area Air Pollution Control District and all other regulatory agencies that apply to any Work performed. If there is a conflict between the Bay Area Air Pollution Control District rules, regulations, ordinances, and statutes and the rules, regulations, ordinances, and statutes of other regulatory agencies, the most stringent shall govern.
- 3.12.2. Seller must not discharge smoke, dust or any other air contaminants into the atmosphere in such quantity as will violate any regulations.
- 3.12.3. Seller must minimize dust nuisances resulting from performance of the Work, both inside and outside the Project limits, by applying either water or dust palliative, or both.

3.13. WATER POLLUTION CONTROL

- 3.13.1. Seller must comply with all Federal, State and local water pollution prevention and storm drain pollution prevention rules, regulations, ordinances, statutes, guidelines, and Project specific permit requirements.
- 3.13.2. If required by law, ordinance, regulation, code, permit or the requirements of the Contract Documents, Seller must prepare a Project Specific Storm Water Pollution Prevention Program (SWPPP).
- 3.13.3. Seller must exercise every reasonable precaution to protect storm drains, channels and all bodies of water from pollution, and must conduct and schedule operations so as to avoid or minimize muddying and silting of any waters. Seller must construct whatever facilities are necessary or requested by Buyer to provide prevention, control and abatement of water pollution.
- 3.13.4. No provision of the Contract Documents relieves Seller of responsibility for compliance with California Fish and Game Code §5650 et seq, and §12015 et seq, and applicable regulations of the Regional Water Quality Control Board, Tehama County flood control and water district requirements, or other applicable statutes relating to prevention and removal of water pollution.
- 3.13.5. Compliance with water pollution requirements does not relieve Seller from responsibility to comply with all provisions of the Contract Documents, particularly Seller's responsibilities for damage and preservation of property.

3.14. SOUND CONTROL

- 3.14.1. The Seller must comply with all CAL OSHA requirements.
- 3.14.2. The Seller must comply with all local sound control and noise level rules, regulations, and ordinances that apply to any Work performed pursuant to the requirements of the Contract Documents.
- 3.14.3. Each internal combustion engine, used for any purpose on the Project or related to the Project, must be equipped with a muffler of a type recommended by the Manufacturer. No internal combustion engine shall be operated on the Project without said muffler
- 3.14.4. Noise level from and hours of Seller's operations, that are located within city limits, must comply with city ordinances or requirements.
- 3.14.5. Noise level requirements apply to all equipment used in the Project including, but not limited to, trucks, transit mixers, generators, air-tools, or equipment that may or may not be owned by the Seller. The use of loud sound signals must be avoided in favor of warning lights except those required by safety laws for the protection of personnel.

3.15. WORKER'S SANITARY PROVISIONS & USE OF BUYER'S FACILITIES

- 3.15.1. Seller must conform to the rules and regulations for sanitary provisions established by the State, the City of Corning, and any other applicable jurisdictions.
- 3.15.2. Seller must Provide and maintain toilets for use by its employees and the employees. These accommodations must be maintained in a neat and sanitary condition, and must comply with all applicable laws, ordinances and regulations pertaining to public health and sanitation.

3.15.3. Seller's personnel must not use Buyer's facilities without Buyer's express written permission, which will be at Buyer's sole discretion. Such Buyer's facilities include but are not limited to toilet facilities, food service facilities (cafeteria and coffee shop), utilities services of any kind, carts, fire extinguishers (except in emergencies), parking, storage space and any other facilities and services.

3.16. RECYCLING OF MATERIALS

3.16.1. The California Integrated Waste Management Board (CIWMB) requires all Cities and Counties to develop a Source Reduction and Recycling Program (SRRP) for all development projects such that solid waste intake to landfills is reduced. This project is included in the CIWMB/SRRP requirements; therefore, the Seller is required to ensure that debris generated from demolition or construction activities is recycled or salvaged in accordance with all state and local CIWMB requirements.

3.17. SUBMITTALS

3.17.1. General

- Seller must submit copies of the shop drawings, product data, and other construction documents to Buyer for information. Buyer may provide comments to safe guard the operations of the facility at which the Generating Facility is being installed.

3.18. COMPLIANCE WITH LAWS AND REGULATIONS

3.18.1. Seller must keep informed of governmental regulations that may affect the Work. Seller must observe and comply with, and must cause all agents, employees, Subcontractors and Suppliers to observe and comply with said regulations. Seller shall hold harmless and indemnify Buyer and all its officers, employees and consultants against any liability or claim arising from or based upon the violation of any such regulations by Seller, its agents, employees, representatives or Subcontractors and Suppliers.

3.19. TAXES, UTILITIES, PERMITS, AND FEES

3.19.1. Taxes: Seller must pay any or all taxes imposed by Federal, State, or local governments, that were legally enacted as of the Bid date or subsequently enacted during the Contract Time, including but not limited to Federal excise tax and all State and local sales and use taxes solely attributable to the Generating Facilities. Buyer will not furnish any tax exemption certificate or any document designed to exempt Seller from payment of any tax on labor, services, materials, transportation, or any other items Provided by Seller pursuant to the Contract Documents.

3.19.2. Utilities:

3.19.3. Seller shall be responsible for all temporary power, water, and other utilities for completion of its construction operations.

3.19.4. Permits & Fees: Seller must obtain and pay for all building permits, encroachment permits, and all other permits and governmental fees, licenses and inspections necessary for the proper execution and completion of the Work, unless otherwise provided in the Contract Documents.

- Sellers must give all necessary notices and comply with all laws, ordinances, rules, regulations and lawful Orders relating to the Work, and to the preservation of the public health and safety.

- If Seller performs any work contrary to such laws, ordinances, Orders, rules and regulations, Seller shall bear all costs attributable thereto.
 - Seller must arrange, coordinate, and pay for all permit related inspections.
- 3.19.5. Royalties & License Fees: Seller must pay all royalties and license fees, and must defend all suits or claims for infringement of any patent rights and save Buyer and its Consultants on this Project harmless from loss on account thereof.

3.20. EQUAL OPPORTUNITY REQUIREMENTS

- 3.20.1. The City of Corning is an equal opportunity employer. Seller must comply with all applicable Federal, State, and local laws and regulations. Such laws include but are not limited to the following: Title VII of the Civil Rights Act of 1964 as amended; Americans with Disabilities Act of 1990; The Rehabilitation Act of 1973 (§503 and 504); California Fair Employment and Housing Act (Government Code §12900 et seq.); California Labor Code §1101 and §1102. Seller must not discriminate against any Subcontractor, employee, or applicant for employment because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status in the recruitment, selection for training including apprenticeship, hiring, employment, utilization, promotion, layoff rates of pay or other forms of compensation.

4. CONSTRUCTION BY BUYER OR BY SEPARATE CONTRACTORS

4.1. BUYER'S RIGHT TO PERFORM CONSTRUCTION AND AWARD SEPARATE CONTRACTS

- 4.1.1. Buyer has the right to perform work at any time related to the Project with its own forces and/or to Award separate contracts in connection with other portions of the Project or other work on the site pursuant to these or similar conditions of this Contract.

4.2. COOPERATION WITH BUYER'S FORCES AND OTHER CONTRACTORS EMPLOYED BY BUYER

- 4.2.1. Buyer will cooperate and coordinate its work with that of the work of Buyer's own forces and of each separate contractor with the Work of the Seller, who must cooperate therewith as provided herein.

- 4.2.2. When one or more other contractors are employed by Buyer on related or adjacent work, Seller must not cause any unnecessary delay or hindrance to the other contractors.

- 4.2.3. If the performance of the Work of this Contract is likely to be interfered with by the simultaneous performance of the work of some other separate contract or contracts, the Buyer and Seller must mutually coordinate with little or no impact to either party's work.

4.3. MUTUAL RESPONSIBILITY

- 4.3.1. The Seller must cooperate fully with Buyer and all separate contractors including utility companies with regard to the execution of their Work as follows:

- The Seller must cooperate fully with Buyer and all separate contractors with regard to introduction and storage of their materials and equipment.
- The Seller must coordinate with Buyer, all separate contractors, and all utility companies with regard to construction scheduling, sequence of operations and site access

5. PROTECTION OF PERSONS AND PROPERTY

5.1. SAFETY PROVISIONS

- 5.1.1. Seller is solely and completely responsible for conditions of the job site, including safety of all persons and property during performance of work. This requirement applies continuously and is not limited to Normal Hours Of Work. No act, service, drawing or construction review, acceptance or other act by Buyer, Buyer's Project Inspector, Consultant or any other representative of Buyer is intended to include review of the adequacy of Seller's safety measures at or near the Project Site, at any place of Fabrication, or anywhere else.
- 5.1.2. Seller must take all necessary precautions on the Work for the safety of its workers, of Buyer's employees and the public, and must comply with all applicable Federal, State, and local safety laws and codes to prevent accidents or injury to persons on, about, or adjacent to where the Work is being performed.
- 5.1.3. Seller must erect and properly maintain at all times, as required by the conditions and progress of the Work, all appropriate safeguards for the protection of workers and the public, and post danger signs warning against construction hazards, such as fire, toxics, pesticides, chemicals, odors, noise, vibration, equipment operations, obstructions, falling objects, falls and all other construction related hazards.
- 5.1.4. Seller must designate a responsible member of its organization who will be present on the Project Site and who has the duty for prevention of accidents. Prior to starting Work, Seller must submit a letter to the Buyer providing the name and position of the person so designated.

5.2. PUBLIC SAFETY AND CONVENIENCE

- 5.2.1. Seller must provide for the safety of the public during construction and conduct its operations to minimize the amount of work posing potential hazards to the public.
- 5.2.2. Seller must keep all walkways clear. Seller must protect pedestrians from falling objects and water runoff.
- 5.2.3. Seller's equipment must enter and leave the Project area via access routes designated or accepted in writing by Buyer, and move in the direction of public traffic at all times. All movements on or across public traveled ways must not endanger public traffic.
- 5.2.4. Seller must immediately remove any spillage, debris, dirt, or mud resulting from hauling operations along or across any public traveled way.
- 5.2.5. Seller must minimize inconvenience or obstruction to the public. When Seller's operations create a condition hazardous to the public, Seller must furnish, erect, and maintain such Temporary Fencing, barricades, lights, signs, and other devices as are necessary for direction of the public or to avoid accidents, damage, or injury to the public. Seller must furnish such flagmen and guards as are necessary to direct the public or to give adequate warning of any hazardous conditions.

5.3. PROTECTION AND RESTORATION OF PROPERTY

- 5.3.1. Seller must immediately repair any damage, arising from or in consequence of the performance of the Contract, to improvements or property, whether above or below the ground, private or public, within or adjacent to the Project.

5.3.2. In an Emergency affecting the safety of life or property, including adjoining property, Seller must act at its discretion, with notice to Buyer, to prevent such threatened loss or injury. Seller must maintain adequate protection against damage to life and property involved in Project and on property adjacent.

5.4. PRESERVATION OF CULTURAL RESOURCES

5.4.1. Pursuant to the National Historic Preservation Act of 1966, State laws and City ordinances, the following procedures are implemented to ensure historic preservation of cultural resources discoveries.

5.4.2. In the event potentially historical, architectural, archaeological or cultural resources (hereinafter "resources") are discovered during subsurface excavations at the Project Site, the following procedures apply:

5.4.3. Seller to temporarily suspend all operations at the location of such potential resources.

5.4.4. A qualified Consultant must be utilized to assess the value of such resources and make recommendations.

5.4.5. If the Consultant determines that the potential find is indeed a cultural resource, Buyer will, as expeditiously as possible, advise Seller in writing of the action to be taken regarding the find, and the anticipated time frame and extent of any Work suspension.

5.5. Buyer's Building Official ("Building Official") Approval

○ REFERENCES

- All applicable codes and standards.

○ OVERVIEW

- The Seller's Work, including submission of Seller-required designs and calculations, and actual on-site Work, is subject to approval by the Buyer's Building Official ("Building Official"). The Seller's Work is subject to code-compliance inspections by the Building Official. These inspections are for code compliance only and do not relieve the Seller from performing all work required.
- The Seller must obtain all Permit and subsequent revisions as needed prior to construction work.

○ FEES

- All Plan Check and Building Permit fees as well as all trade Permit fees, i.e.: plumbing, electrical, mechanical, etc., will be paid for by the Seller directly to the Building Official.

○ EXECUTION

- No work shall commence until the Seller has secured from the Building Official and posted a Building Permit Record Card at the jobsite. This card shall be maintained available at the jobsite by the Seller until the project has been signed off as "complete" by the Building Official or his designated representative. A sample card has been included at the end of this section.
- Work shall not proceed beyond the point indicated in each successive milestone section of the Building Card without obtaining the approval of the Building

Official. The Building Official, when requested by the Buyer, shall make the requested inspections and shall indicate that portion of the Work that is satisfactory as completed, or shall notify the Seller wherein the same fails to comply with the CBC or other related Code. Any portions that do not comply shall be corrected by the Seller at the Seller's expense, and a request for re-inspected made.

- The process of obtaining Building Official approval of specific Work takes place as follows:
 - The Seller shall inspect the Work prior to requesting inspection by Building Official.
 - The Seller will request and coordinate the inspection by Building Official.
 - The Seller shall notify the Buyer's project representative to be present at the time of inspection by the Building Official.
- Special Inspections. In addition to the inspections specified above, the Seller is responsible for contracting for Special Inspection Services to provide inspections during construction as delineated in the California Building Code, Chapter 17 and the Contract Documents, specifically, but not limited to Division 1, Section 01450. All costs for these Special Inspections will be included in the Seller's Proposal for the performance of the Work.

ITEM NO: J-7
CONSIDER ORDINANCE NO. 657
AMENDING CITY COUNCIL
MEETINGS START TIME (FIRST
READING)

November 25, 2014

TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

FROM: JOHN L. BREWER, AICP; CITY MANAGER
LISA M. LINNET, CITY CLERK



SUMMARY:

At the November 11, 2014 City Council Meeting, Mayor Strack requested Staff agendaize for discussion and action, the possible modification of the start time of regularly scheduled City Council Meetings.

The days and time of City Council Meetings is currently set by City Ordinance No. 488 which was introduced at a regular meeting of the City Council on April 11, 1989 and adopted at the subsequent meeting held on April 25, 1989. That Ordinance states the following:

A. Section 2.04.010 of the Corning Municipal Code is amended to read as follows:

2.04.010 Meetings: The City Council of the City shall meet on the second and fourth Tuesdays of each month, at the hour of seven-thirty p.m., at the City Council Chambers, City Hall, 3rd and Solano Streets, Corning, California or at such other location within the City as posted at the Council Chambers at least 48 hours prior to any regular meeting.

In order to amend the start time of future Council Meetings, a new Ordinance must be approved.

RECOMMENDATION:

MAYOR AND CITY COUNCIL CONSIDER A MODIFICATION TO THE START TIME FOR THE REGULARLY SCHEDULED CITY COUNCIL MEETINGS, AND IF DESIRED, PRESENT FOR INTRODUCTION AND FIRST READING, ORDINANCE NO. 657, AN ORDINANCE AMENDING THE START TIME FOR CITY COUNCIL MEETINGS TO SEVEN (7:00) P.M.

ORDINANCE NO.: 657
AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF CORNING MODIFYING THE
TIME SET FOR CITY COUNCIL MEETINGS

The City Council of the City of Corning does ordain as follows:

SECTION 1 –AMENDMENT

Section 2.04.010 of the Corning Municipal Code is amended by deleting the words “at the hour of seven-thirty p.m.” and replacing them with the words “at the hour of seven p.m.”.

SECTION 2 – PURPOSE AND AUTHORITY

The purpose of this ordinance is to move the opening time of the regular meetings of the City Council to an earlier hour for the convenience of Council members and the public, especially important during times when discussion items on the agenda are anticipated to be lengthy. This Ordinance is adopted under the authority of California Government Code Section 36805.

SECTION 3 – PUBLICATION AND EFFECTIVE DATE

Pursuant to Government Code Section 36933, this Ordinance, or a summary hereof, shall be published at least five (5) days prior to adoption and within fifteen (15) days after its adoption together with the names of the Council Members voting for and against it, in a newspaper of general circulation published and printed in Tehama County and circulated in the City of Corning. This Ordinance shall take effect thirty (30) days after its adoption.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Corning on November 25, 2014, and adopted at a regular meeting of the City Council of the City of Corning held on December 9, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Gary Strack, Mayor

ATTEST:

Lisa Linnet, City Clerk

**ITEM NO. J-8
AUTHORIZE FIRE CHIEF TO SEEK
ASSISTANCE TO FIREFIGHTERS
GRANT TO PURCHASE A
BREATHING APPARATUS CYLINDER
CHARGING STATION**

November 25, 2014

TO: HONORABLE MAYOR AND COUNCIL

FROM: MARTIN SPANNAUS FIRE CHIEF

SUMMARY:

Staff requests Council authorization to submit a Grant Application to the Department of Homeland Security, Assistance to Firefighters for Operation and Safety for funding in the amount of approximately \$100,000. The Fire Department, should they receive this Grant, will use the funds to purchase a Breathing Apparatus Cylinder Charging Station to be located at the Corning Fire Department.

BACKGROUND:

Grant Administrator JoAnn Anders has agreed to assist the Corning Fire Department with the submittal of a Grant Application. This application seeks funding in the estimated amount of \$100,000 for a Cylinder Fill Station. The proposed Fill Station would enable "In House" servicing of the Department's SCBA cylinders, and could also provide this service to neighboring agencies. Last year, the closest fill station located at the Corning Cal-Fire Station was unusable for about 8 weeks.

The "Assistance to Firefighter" grants are highly competitive and require a 5% (\$2,000) grant funding match. The Department currently has sufficient funds available through the Fire Equipment Replacement budget line item No. 2300-076-9301 to meet the required funding match.

RECOMMENDATION

Council authorized the Corning Fire Department to:

- **Submit an Grant Application for funding with the Department of Homeland Security Assistance to Firefighters for Operation and Safety in the amount of approximately \$100,000;**
- **If awarded the grant, approve the required 5% funding match in the amount of \$2,000 from the City's Fire Replacement Fund, No. 2300-076-9301; and**
- **Authorize the Fire Chief to sign the Grant Application and any associated Agreement on behalf of the City.**