

POWER PURCHASE AGREEMENT

- BETWEEN -

ROCK CREEK HYDRO LLC

-and-

SALMON RIVER ELECTRIC COOPERATIVE, INC.

AGREEMENT

1. Parties:

21 This Power Purchase Agreement, (herein "Agreement") is made and entered into this day of July 2019 by and between:

Salmon River Electric Cooperative, Inc., an Idaho nonprofit corporation, (herein "Buyer") and;

Rock Creek Hydro LLC, an Idaho limited liability company, (herein, "Seller").
Collective Buyer and Seller may be referred to as the "Parties" or individually as the "Party."

2. Purpose of this Agreement and Intent of the Parties:

Seller intends to construct, own, operate and maintain a hydro-electric generating facility located in Custer County, Idaho with an expected nameplate rating of 390 kW (the "Facility" or the "Project"); and

Seller shall operate the Facility as a Qualifying Facility pursuant to the rules and regulations promulgated by the Federal Energy Regulatory Commission for the implementation of the Public Utilities Regulatory Policies Act of 1978.

Seller ultimately intends to sell the electric output from the Facility to PacifiCorp pursuant to a power purchase agreement that is required by the Idaho Public Utilities Commission and desires to enter into this short term Agreement pending the final regulatory and corporate approvals necessary to finalize a long term power purchase agreement with PacifiCorp.

Pending the finalization of a long-term power purchase agreement with PacifiCorp, Seller intends to sell, and Buyer agrees to purchase the metered Net Output delivered to Buyer by Seller in accordance with the terms and conditions of this Agreement.

3. Sale and Purchase of Energy:

Seller shall make available and sell to Buyer, and Buyer shall purchase, on a take and pay basis all of the metered Net Output of the Facility. Net Output means the total metered deliveries of electric energy delivered to a mutually agreed upon point of receipt on Buyer's electrical system. Net Output does not include any station use or line losses between the generating facility and the point of receipt on the electric distribution or transmission system of the Buyer. The point of receipt shall be Round Valley Substation, which is the Buyer's point of receipt from the Bonneville Power Administration.

Buyer shall accept and pay for all energy as delivered and made available by Seller at Buyer's avoided cost rate as determined and adjusted pursuant to established Buyer policies and as explained more fully in Salmon River Electric Cooperative, Inc. Policies - Electricity at Policy No. 44, as may be amended and updated from time to time pursuant to established Buyer

policies. The calculated avoided cost rate varies by month and is attached as Exhibit A, which rate is subject to change concurrent with the BPA rates. BPA's rates will change October 1, 2019 at which point Buyer will update Exhibit A and provide it to the Seller.

4. Term:

The term of this Agreement shall commence on the date of this Agreement and shall end on the earlier of, (a) the first year's anniversary of the commencement of deliveries of electric power and energy to Buyer, or (b) the date that PacifiCorp begins accepting and paying for deliveries of Net Output from the Facility.

5. Payments:

Payments for Net Output shall be made by Buyer to Seller on a monthly basis and shall include sufficient detail such that the parties are able to individually verify the accuracy and the applicability of the appropriate rate(s).

6. Seller's Obligations:

Seller shall, at its sole cost, undertake (or cause to be undertaken) and be obligated to complete construction and interconnection work to facilitate the safe delivery of Net Output from the Facility to Buyer's electrical distribution/transmission system. Seller shall also be obligated to comply with all reasonable interconnection requirements of the Buyer, including metering requirements.

7. Operation and Maintenance:

Seller shall at all times operate and maintain the project in accordance with good utility practices and in coordination with the buyer's electrical system's operations and requirements. Seller shall notify Buyer of all anticipated outages and their anticipated duration and shall immediately notify Buyer of any unanticipated or unplanned outages.

8. Liability:

Neither Party shall be liable to the other for any damage or loss suffered due the action or inaction of the other Party, except where such damage or loss is caused by the negligence or the deliberate action or failure to act by the other Party.

9. Buyer Inspections:

Buyer shall have the right to visit, observe and examine the Facility and the operation thereof, upon reasonable notice to Seller. Such visits and/or observations by Buyer shall not be construed as an endorsement or warranty by the Buyer of the safety or reliability of the Facility or of the Seller's maintenance or other practices associated with the Facility.

10. Breach/Cure:

Failure of either Party to perform any act or fulfill any obligation hereunder shall be deemed an event of breach and the non-breaching Party shall take all reasonable actions to mitigate any damages that may incur as a result. The breaching Party shall be given sufficient time in which to effect such a cure provided that continued due diligence is taken by breaching party to cure such breach and provided that the breach is reasonably susceptible to cure. If the breach is not thusly cured or reasonably susceptible to cure, then the non-breaching Party may terminate this Agreement. Each Party may recover such damages as deemed appropriate at law for a breach of this Agreement to the extent such breach is not excused by an event of force majeure.

11. Communications:

Communications regarding the subject of this Agreement may be made to

Rock Creek Hydro LLC
Gordon Fulton
5915 Highway 93
Mackay, ID 83251
(208) 588-3118
tailingart@yahoo.com

Salmon River Electric Cooperative
Ken Dizes
1140 E. Main Ave.
Challis, ID 83226
(208) 879-2283
ken@srec.org

12. Miscellaneous Provisions:

This Agreement shall be governed by and construed according to the law of the State of Idaho; may be executed in counterparts; may be assigned or transferred upon notice to the non-assigning Party, creates no third party beneficiaries and the failure by either Party to insist on the performance any term herein shall not thereafter be deemed a waiver of such term.

The undersigned have executed this agreement as of the day and year first noted above:


Ken Dizes, Manager
Salmon River Electric Cooperative


Gordon Fulton, Member
Rock Creek Hydro LLC



BRAD LITTLE
Governor

State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

GARY SPACKMAN
Director

March 10, 2020

GORDON FULTON
5907 N US HIGHWAY 93
MACKAY ID 83251-4404

PROOF ACKNOWLEDGEMENT LETTER

RE: Permit No. 34-14339

Dear Permit Holder:

The Department acknowledges receipt of the proof of beneficial use form submitted for the above referenced permit. The next step in the process of developing a water right is for the Department to conduct a field examination to determine and confirm the use being made of the water.

Please be advised that Idaho Code § 42-248, requires you or the owner of this water right to maintain current ownership and address records on file with the Department. Forms to file a change of ownership of a water right and/or a change in the address of the water right owner are available from any Department office or at the Department's website at www.idwr.idaho.gov.

If you have any questions concerning the field examination, please contact the Eastern Region Office of the Department located in Idaho Falls at (208) 525-7161.

Sincerely,

Debbi Judd

Technical Records Specialist

Enclosures