AGREEMENT BETWEEN DEPARTMENT OF DEFENSE; DEPARTMENT OF THE NAVY; AND EC&R DEVELOPMENT, LLC

Subject:

MITIGATION OF DEVELOPMENT IMPACTS OF A WIND TURBINE

PROJECT IN IN WASCO AND SHERMAN COUNTIES, OREGON

Parties:

Department of Defense (DoD)
Department of the Navy (Navy)
EC&R Development, LLC (EC&R)

The DoD, Navy, and EC&R are each referred to herein as a "Party" and collectively referred to as "Parties".

References:

(a) Section 358 of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011, as amended

(b) 32 C.F.R. Part 211

(c) DoD Flight Information Publication (FLIP) AP/1B (February 6, 2014)

Attachments: A. Diagram Showing Geographic Boundary of Wind Project (Project Boundary)
B. Diagram Showing Transmission Line Crossing at Finnegan Canyon

Section 1. Purpose.

Pursuant to references (a) and (b), it is an objective of the DoD to ensure that the robust development of renewable energy sources and the increased resiliency of the commercial electrical grid may move forward in the United States, while minimizing or mitigating any adverse impacts on military operations and readiness. EC&R, a wholly-owned subsidiary of E.ON Climate & Renewables North America, LLC, is developing a wind-powered electric generating facility with a nominal generating capacity of up to 535 megawatts located in Wasco and Sherman Counties. Oregon, consisting of up to 223 wind turbines (Wind Project), within the boundaries indicated in Attachment A (Project Boundary), attached hereto and made a part hereof. This Wind Project is known as the Brush Canyon Wind Facility. In order to mitigate the potential impact of the Wind Project upon the operations and readiness of the DoD, the Parties have worked cooperatively and will continue to work cooperatively to meet the desired goals of supporting military operations and readiness simultaneously with the production of renewable energy. The Parties have agreed that the terms below allow for the mutual goals of the Parties to be met including the protection of the Navy's aviation training mission at Naval Weapons Systems Training Facility (NWSTF) Boardman and within the four designated Military Training Routes (MTR)(IR-342, IR-344, IR-346, and VR-1353) that are adjacent to the Wind Project.

Section 2. Terms and Provisions.

The terms and provisions below reflect practices and procedures that the Parties believe will allow for the mutual goals to be met. The Parties will carry out their respective obligations

pursuant to the terms of this agreement to achieve the following mutually beneficial objectives:

- A. DoD and the Navy agree not to posit any objection to the construction and operation of the Wind Project under the Federal Aviation Administration (FAA) Obstruction Evaluation/Airport Airspace Analysis system (OE/AAA), the Oregon Energy Facility Siting Council (EFSC), or to any regulatory entity with jurisdiction over the Wind Project, provided EC&R carries out the terms of this Agreement. With regards to proceedings before or within the cognizance of the EFSC, DoD and Navy agree not to seek party status in any potential contested case hearing related to the Wind Project. The phrase "posit no objection" above does not apply to any regulatory action on the part of any DoD Component under an independent regulatory regime (for example, the issuance of a permit by the Army Corps of Engineers pursuant to the Clean Water Act.).
- B. EC&R agrees to confine the placement of all Wind Project turbines to areas within the Project Boundary that are outside (south and west) of the lateral MTR boundaries as they exist as of February 6, 2014, as depicted in Attachment A and defined in Reference (c). EC&R further agrees to limit the height of the interconnect transmission line structures running through the designated MTRs to less than one hundred twenty (120) feet above ground level. As an exception to this general height restriction, for the section of the transmission line crossing over the Finnegan Canyon as detailed in attachment B and within one quarter (1/4) statute mile on either side of the canyon, the height of the transmission line structures shall not exceed 150 feet above ground level. EC&R agrees to submit a written recommendation to EFSC and the Oregon Department of Energy that the terms of this paragraph are expressly incorporated as a condition in the EFSC's order concerning the site certificate for the Brush Canyon Wind Facility.
- C. Any measures agreed to by the DoD or the Navy pursuant to this Agreement are not binding upon any other Federal agency, nor does this Agreement waive compliance with any other law or regulation.
- D. Within 30 days of completion of construction, EC&R will provide to the Navy the information submitted to the FAA on form 7460-2, including the final coordinates for each turbine erected. EC&R will notify the Navy of the Generation Commencement Date.
- E. The Parties acknowledge that there are no known electromagnetic interference impacts on military radar facilities located near Fossil, Oregon, or any other location as a result of operating wind turbines at the Wind Project.
 - F. The Parties may freely share this Agreement with any person or entity.

Section 3. Assignment.

This Agreement shall be binding upon the successors and assigns of EC&R. EC&R, its successors or assigns (Assignors) have the right to sell, convey, mortgage, assign, or otherwise transfer all or any part of its interests and obligations in the assets comprising the Wind Project (Assignment) to any third party (Assignee), without the prior consent of the DoD or Navy, provided that such Assignment expressly acknowledges the existence of this Agreement and a copy of this Agreement is provided to the Assignee. Upon such Assignment, EC&R shall be

relieved of any obligations or liabilities under this Agreement to the extent that the Assignee has assumed in writing such obligations or liabilities and provided that EC&R has given written notice of the Assignment to the DoD and the Navy.

Section 4. Effective Date and Expiration.

- A. This Agreement will be effective as against all Parties, including any future owner, lessee of the Wind Project, operator, transferee, purchaser, assignee, or any successor-in-interest of the Wind Project, for the life of the Wind Project or until this Agreement is modified subject to the provisions of Section 8 or terminated by mutual agreement of the Parties. This Agreement will be effective upon the date that the final Party signs this Agreement.
- B. This Agreement shall expire, and have no further force and effect upon the occurrence of either: (1) the withdrawal of the Application for Site Certificate by EC&R or the denial by EFSC of the Application for Site Certificate; or (2) the withdrawal, subsequent disapproval, or final termination by EFSC or higher judicial authority of a Site Certificate issued by EFSC concerning the Brush Canyon Wind Facility. In the event of any denial, withdrawal, disapproval, or termination of the Application for Site Certificate or the Site Certificate, this Agreement shall be terminated after such actions are deemed to be conclusive, either by EC&R's failure to timely pursue any administrative or judicial relief, or upon the final conclusion of all administrative and judicial appeals associated with such actions.

Section 5. Points of Contact and Notification.

The following persons shall be the primary points of contact (Point of Contact) for the Parties for purposes of this Agreement:

DoD – DoD Siting Clearinghouse Executive Director 3400 Defense Pentagon, Room 5C646 Washington, DC 20301-3400

Navy - Naval Air Station Whidbey Island Commanding Officer 3730 North Charles Porter Avenue Oak Harbor, WA 98278-5000 Office: 360-257-2037

EC&R Development, LLC Attn: Legal Department 701 Brazos Street, Suite 1400 Austin, TX 78701 Phone: 512-477-7024

with a copy to: E.ON Climate & Renewables North America, LLC Attn: Legal Department

353 N. Clark St., 30th Floor Chicago, IL 60654 Phone: 312-923-9463

Any Party may change its Point of Contact provided that written notification of any such change must be provided to the other Parties at least 30 days in advance.

Section 6. Breach.

If a Party believes that another Party has breached this Agreement, it must provide notice of the breach to the breaching party and provide an opportunity to cure the breach. If there is a dispute between the involved Parties as to whether a breach occurred, the involved Parties agree to attempt to resolve the dispute beginning with EC&R and representatives of the Navy at Naval Air Station Whidbey Island. Disputes may be elevated, on the part of the Navy/DoD, to the Director for Energy and Environmental Readiness, Office of the Chief of Naval Operations, and then to the Executive Director of the Defense Siting Clearinghouse, as required. If the breach is not cured or resolved after this initial dispute resolution process, any Party may seek to enforce this Agreement. Each Party specifically reserves any and all rights or causes of action it may have both at law and in equity to require compliance with any provision of this Agreement. Each Party reserves the right to enforce or refrain from enforcing against another Party the terms of this Agreement as it sees fit under applicable state or federal law.

Section 7. Amendments.

Any Party to this Agreement may request that it be amended, whereupon the Parties agree to consult to consider such amendments. Any amendment to this Agreement shall be effective if executed in writing and signed by EC&R, or its successors or assigns, and the DoD and Navy.

Section 8. Signature/Counterparts.

This Agreement may be executed in several counterparts, each of which shall be deemed an original, all of which shall constitute but one and the same instrument. The following signature pages are part of this Agreement.

[THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK; SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the Effective Date.

U.S. DEPARTMENT OF DEFENSE:

Acting Deputy Under Secretary of Defense Installations and Environment

14/24/2014 Date

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the Effective Date.

U.S. DEPARTMENT OF THE NAVY:

Roger Natsuhara

Principal Deputy Assistant Secretary of the Navy

Energy, Installations and Environment

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the Effective Date.

EC&R Development, LLC:

Name: Paul Bowman

Title: Senior Vice President

anil 23, 2014

Date

ATTACHMENT A

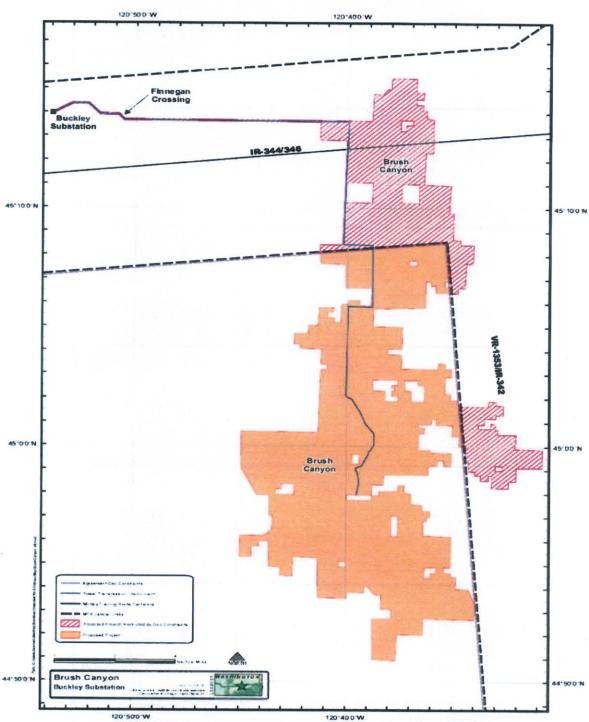


Diagram Showing Geographic Boundary of Wind Project (Project Boundary)

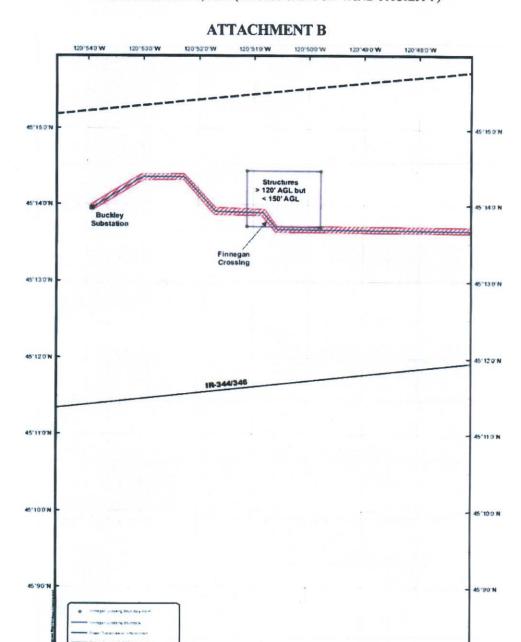


Diagram Showing Transmission Line Crossing at Finnegan Canyon

129°50'0 W

120-490 W

120 51 0 W

120°520 W

45"80"N

45"80"N

Brush Canyon Finnegan Crossing