

MASTER ENERGY SERVICES AGREEMENT

This Master Energy Services Agreement (this "**Agreement**") is effective as of 7/1/2013, (the "**Effective Date**"), by and between VIASYN Inc., a Delaware Corporation having its principal place of business at 2633 Camino Ramon, Suite 595, San Ramon, CA 94583 ("**VIASYN**") and the Monterey County Water Resources Agency, a nonprofit California public agency created under Chapter 52 of the California Water Code having its principal place of business at 893 Blanco Circle, Salinas, CA 93901 ("**Participant**"), hereinafter referred to individually as "**Party**", or collectively as the "**Parties**".

RECITALS

- A. VIASYN provides Energy Scheduling Coordination and Financial Settlements Services ("**Scheduling and Settlements Services**") to wholesale power market participants, and is experienced in and competent to provide the Scheduling and Settlements Services described herein.
- B. VIASYN provides Management Services for the non-electricity attributes of qualifying renewable energy generation ("**REC Management Services**"), and is experienced in and competent to provide REC Management Services including but not limited to transactions involving Renewable Energy Certificates ("**RECs**").
- C. VIASYN is certified and qualified by the following Independent System Operators ("**ISOs**"): as a Scheduling Coordinator ("**SC**") by the California Independent System Operator ("**CAISO**"); as a Qualified Scheduling Entity ("**QSE**") by the Electric Reliability Council of Texas ("**ERCOT**").
- D. VIASYN is qualified to act as Scheduling Services Agent in the New York ISO ("**NYISO**").
- E. VIASYN is an account holder or otherwise qualified to participate in the following REC registration and tracking systems: Western Region Electricity Generation Information System ("**WREGIS**"), Midwest Renewable Energy Tracking System ("**M-RETS**"), Texas Renewable Energy Credit Program ("**ERCOT**"), PJM Generation Attribute Tracking System ("**PJM GATS**"), New York State Energy Research and Development Authority Renewable Portfolio Standard Program ("**NYSERDA RPS**"), and the NEPOOL Generation Information System ("**NEPOOL GIS**").
- F. Participant has obtained all necessary authorizations to enter into this Agreement and to authorize VIASYN to act as an agent for Participant as contemplated herein.
- G. Participant desires to receive and VIASYN wishes to provide services as described in the attached "Statement of Work", Exhibit A, and all related Exhibits.

AGREEMENT

NOW THEREFORE, in consideration of the mutual obligations and covenants set forth herein, VIASYN and Participant hereby mutually agree to be bound by the terms and conditions of this Agreement:

1. SCHEDULING AND SETTLEMENTS SERVICES. VIASYN agrees to perform the Scheduling and Settlements Services, listed in the Statement of Work attached hereto as Exhibit A (and all related Exhibits), as amended from time to time by the Parties as follows: When reasonably requested by Participant, the Parties shall in good faith negotiate Supplemental Statements of Work ("**Supplements**"), substantially in the form attached hereto as Exhibit B. Upon the execution and delivery by each of the Parties, each Supplement shall be deemed to be a part of this Agreement.

2. SCHEDULING AND SETTLEMENTS SERVICES FEES. Participant agrees to pay VIASYN for the Scheduling and Settlements Services in accordance with the Fee and Security Deposit Schedule(s) in the Statement of Work as set forth in Exhibit A (and all related Exhibits). On a monthly basis (or other such frequency as agreed between VIASYN and Participant), VIASYN shall deliver to Participant, pursuant to Section 12(g), a reasonably detailed and itemized invoice for the Scheduling and Settlements Services to be provided in that month, and also for the Services provided in the preceding calendar month (or other such reporting period as agreed between VIASYN and Participant), which amount shall be due within thirty (30) days of Participant's receipt of the invoice. Invoicing for, and payment of, the fees for the Scheduling and Settlements Services shall be separate from the invoicing for, and payment of, any ISO charges or fees, which may include but are not limited to any market imbalance energy charges as set forth in Exhibit A hereof (and all related Exhibits), or any security deposit, as set forth in Exhibit A (and all related Exhibits).

3. RENEWABLE ENERGY CREDIT (REC) MANAGEMENT SERVICES. VIASYN agrees to perform the REC Management Services, listed in the Statement of Work attached hereto as Exhibit C "REC Management Services" (and all related Exhibits), as amended from time to time by the Parties as follows: When reasonably requested by Participant, the Parties shall in good faith negotiate Supplemental Statements of Work ("**Supplements**"), substantially in the form attached hereto as Exhibit D. Upon the execution and delivery by each of the Parties, each Supplement shall be deemed to be a part of this Agreement.

4. REC MANAGEMENT FEES. Participant agrees to pay VIASYN for the REC Management Services in accordance with the Fee and Security Deposit Schedule of the Statement of Work as set forth in Exhibit C (and all related Exhibits). On a monthly basis, VIASYN shall deliver to Participant, pursuant to Section 12(g), a reasonably detailed and itemized invoice for the REC Management Services provided in the preceding calendar month, which amount shall be due within thirty (30) days of Participant's receipt of the invoice. Invoicing for, and payment of, the fees for the REC Management Services shall be separate from the invoicing for, and payment of, any required charges levied by a regional REC registration and tracking system as set forth in Exhibit C hereof.

5. CONFIDENTIAL INFORMATION. The Parties acknowledge that they each may acquire information and materials from the other party and knowledge of its business, products, finances, customers, clients, employees, developers and suppliers and that all such knowledge, information and materials acquired, the existence, terms and conditions of this Agreement, and the designs and materials, are and will be the trade secrets and confidential and proprietary information of such other party (collectively "**Confidential Information**"). Confidential Information will not include, however, any information, which is or becomes part of the public domain through no fault of the non-disclosing party or that the disclosing party has given to a third party without restriction on use or disclosure. Each Party agrees to hold all such Confidential Information of the other party in strict confidence, not to disclose it to others unless required by law to do so, use it in any way, commercially or otherwise, and not to allow any unauthorized person access to it, either before or after expiration or termination of this Agreement. Each Party further agrees to take all action necessary to protect the confidentiality of the Confidential Information of the other party including, without limitation, implementing and enforcing operating procedures to minimize the possibility of unauthorized use or copying of the Confidential Information. Without limiting the generality of the foregoing, VIASYN acknowledges that Participant is a public entity subject to the provisions of the California Public Records Act, and that Participant may from time to time be required under the California Public Records Act to disclose terms and conditions of this Agreement and other related information.

6. OBLIGATIONS OF THE PARTIES.

(a) **Compliance with Law.** Each Party will comply with all applicable international, national, state, regional and local laws and regulations in performing its duties hereunder and in any of its dealings with respect to the other Party under this Agreement.

(b) **Fees and Charges.** Participant will pay fees and charges, as described herein and in the Exhibits, for Services provided under this Agreement, including, but not limited to any ISO market imbalance energy charges or other third party fees incurred by VIASYN on Participant's behalf in the performance of Services, as described herein and in the Exhibits.

(c) **Security Deposit Account.** Intentionally Omitted.

(d) **Late Payment Penalties.** Payments for Scheduling and Settlement Services and/or REC Management Services and/or Consulting Services not received by the Payment Due Date on all unpaid balances shall accrue interest at a per annum rate equal to eight percent (8%), or the maximum rate which is otherwise legally authorized, whichever is less, until complete payment is received by VIASYN. Interest shall also accrue on any unpaid invoice (including the Initial Invoice) or portion thereof, which is disputed and thereafter determined to be proper. The requirement to pay interest shall not excuse late payment.

7. RECORDS. Participant will maintain, for at least three (3) years after termination of this Agreement, its records relating to VIASYN, and will permit examination thereof by authorized representatives of VIASYN at all reasonable times. VIASYN will maintain, for at least three (3) years after termination of this Agreement, its records relating to Participant, and will permit transfer of such records to Participant or a successor Scheduling and Settlements

Services provider and/or REC Management Services provider upon written request from Participant.

8. TERM, RENEWAL AND TERMINATION. This Agreement shall commence on July 1, 2013 (the "Effective Date") and shall remain in effect for three (3) years. Thereafter, this Agreement shall be renewed automatically without interruption for successive annual periods at the same terms and conditions set forth herein. Either Party may terminate this Agreement at any time, for any reason, by written notice to the other in which event this Agreement will terminate no less than sixty (60) days after receipt of such notice, unless (i) this Agreement is extended pursuant to Section 1(c) of Exhibit A-1, Exhibit A-2, and/or Exhibit A-3 as applicable, in which case this Agreement shall terminate in accordance with the provisions thereof, or (ii) the termination is by VIASYN explicitly for failure of Participant to comply with the security requirements listed in Exhibit A-1, Exhibit A-2, and/or Exhibit A-3 as applicable, in which case (a) at any time after the time and date specified by the CAISO for VIASYN, on behalf of Participant, to remit any required additional CAISO Security Deposit, VIASYN may immediately limit submission or revision of any Participant bid, trade, or any other ISO transaction, until such time that Participant has remedied the breach of Participant's security requirements, and (b) VIASYN shall have the right to at any time thereafter, provide Participant with thirty (30) Calendar Day notice of termination, in which event this Agreement shall terminate thirty (30) Calendar Days after receipt of such notice. This Agreement may be renewed with revised terms, conditions and prices only upon written agreement of both Parties. In the event that the Participant elects to terminate this Agreement prior to one (1) calendar year from the Effective Date, an early termination penalty will apply, as specified in Exhibit A-1.

9. DISCLAIMER OF WARRANTIES. TO THE EXTENT PERMITTED BY APPLICABLE LAW, ALL IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT, ARE HEREBY EXCLUDED.

10. LIMITED LIABILITY. SUBJECT TO THE SUCCEEDING SENTENCE, IN NO EVENT WILL EITHER PARTY'S TOTAL CUMULATIVE LIABILITY IN CONNECTION WITH THIS AGREEMENT FROM ALL CAUSES OF ACTION OF ANY KIND, INCLUDING TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY AND BREACH OF WARRANTY, EXCEED THE TOTAL AMOUNT OF FEES PAID TO VIASYN PURSUANT TO THIS AGREEMENT IN THE MONTH OR MONTHS IN WHICH THE CAUSE OR CAUSES OF SUCH LIABILITY OCCURRED. NOTWITHSTANDING THE FOREGOING, THE LIMIT OF LIABILITY DESCRIBED IN THIS SECTION 10 SHALL NOT LIMIT LIABILITY FOR A BREACH OF CONFIDENTIAL INFORMATION IN SECTION 5, THE INDEMNIFICATION OBLIGATIONS SET FORTH IN SECTION 11, OR LIABILITY ARISING FROM EITHER PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

11. INDEMNIFICATION.

(a) **By VIASYN.** VIASYN shall, at VIASYN's expense, indemnify, hold harmless and, at Participant's request, defend Participant, and Participant's members, subsidiaries, affiliates, directors, officers, employees, agents and independent contractors, from and against any and all loss, cost, liability or expense (including costs and reasonable fees of

attorneys and other professionals) arising out of or in connection with VIASYN's performance under this Agreement to the extent caused by, in whole or in part, any breach of obligation, negligent act or omission or willful misconduct of VIASYN or VIASYN's employees, agents or independent contractors, including but not limited to any act or omission that contributes to: (i) any personal injury, sickness, disease or death; (ii) any damage to or destruction of property of Participant or any of its members, subsidiaries, affiliates, directors, officers, employees, agents or independent contractors, or any loss of use resulting there from; or (iii) any violation of any statute, ordinance or regulation.

(b) **By Participant.** Participant shall, at Participant's expense, indemnify, hold harmless and, at VIASYN's request, defend VIASYN, and VIASYN's subsidiaries, affiliates, directors, officers, employees, agents and independent contractors, from and against any and all loss, cost, liability or expense (including costs and reasonable fees of attorneys and other professionals) arising out of or in connection with Participant's performance under this Agreement to the extent caused by, in whole or in part, any breach of obligation, negligent act or omission or willful misconduct of Participant or Participant's employees, agents or independent contractors (other than VIASYN), including but not limited to any act or omission that contributes to: (i) any personal injury, sickness, disease or death; (ii) any damage to or destruction of property of VIASYN or any of its subsidiaries, affiliates, directors, officers, employees, agents or independent contractors, or any loss of use resulting there from; or (iii) any violation of any statute, ordinance or regulation.

12. GENERAL.

(a) **Amendment and Waiver.** This Agreement may be amended and the observance of any provision of this Agreement may be waived (either generally or any particular instance and either retroactively or prospectively) only with the written consent of each of the Parties.

(b) **Applicable Law.** This Agreement and the transactions contemplated hereby shall be governed by, and construed and enforced in accordance with, the laws of the State of California, without reference to conflict of law principles.

(c) **Force Majeure.** A Party shall not be liable for non-performance or delay in performance (other than of obligations regarding payment of money or confidentiality) caused by any event reasonably beyond the control of such Party including, but not limited to wars, hostilities, revolutions, riots, civil commotion, national emergency, unavailability of supplies, compliance with laws or regulation (including, without limitation, those related to infringement), epidemics, fire, flood, earthquake, force of nature, explosion, embargo, or any Act of God, or any law, proclamation, regulation, ordinance or other act or order of any court, government or governmental agency.

(d) **Assignment.** Neither Party may assign or delegate its obligations under this Agreement either in whole or in part, without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Any attempted assignment in violation of the provisions of this Section 12(d) will be void. The rights and liabilities of the parties hereto will

bind and inure to the benefit of their permitted respective successors, executors and administrators, as the case may be.

(e) **Severability.** If for any reason a court of competent jurisdiction finds any provision of this Agreement, or portion thereof, to be void, invalid, or unenforceable, that provision of the Agreement shall be enforced to the maximum extent permissible so as to effect the intent of the parties, and the remainder of this Agreement shall continue in full force and effect.

(f) **Performance in Favor of Interested Party.** Intentionally Omitted.

(g) **Notices and Invoices.** Any notice provided for or permitted under this Agreement shall be sufficient only if personally delivered, sent by telecopy with written verification of successful transmission, delivered by a rapid delivery service with tracking capabilities and written verification of receipt, mailed by certified or registered mail, or by email:

If to VIASYN: VIASYN, Inc.
2440 Camino Ramon, Suite 299
San Ramon, CA 94583
Attn: Contract Management
Email: ContractManagement@viasyn.com
Fax: 925-904-1916

If to Participant: Monterey County Water Resources Agency
893 Blanco Circle
Salinas, CA 93901
Attn: David E. Chardavoyne, General Manager
E-mail: ChardavoyneDE@co.monterey.ca.us
Fax: (831) 424-7935

With a copy to:

Monterey County Counsel
168 W. Alisal St., Third Floor
Salinas, CA 93901
Attn: Patrick McGreal, Deputy County Counsel
E-mail: McGrealP@co.monterey.ca.us
Fax: (831) 755-5283

Invoices for VIASYN Services, ISO Charges and their supporting data reports, and the monthly VIASYN ISO Charge Estimate Statement contemplated in Exhibit A hereof (and any related Exhibits), shall be delivered from VIASYN to Participant by electronic mail to the following address, or at such other address as Participant may specify in writing from time to time:

PaladiniCA@co.monterey.ca.us
BucheB@co.monterey.ca.us

(h) **No Waiver.** Failure by either Party to enforce any provision of this Agreement shall not be deemed a waiver of future enforcement of that or any other provision.

(i) **Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which will constitute but one and the same instrument.

(j) **Headings and References.** The headings and captions used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement;

(k) **Entire Agreement.** This Agreement, including any Exhibits or Supplements to this Agreement, constitutes the entire Agreement between the parties relating to the subject matter hereof and supersedes all prior or simultaneous proposals, negotiations, representations, conversations, discussions and agreements, whether written or oral, among the parties and all past dealing or industry custom.


IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date set forth above.

VIASYN, INC.

By: 
(Signature)

Donald Sutphin
Chairman & CEO
2440 Camino Ramon, Suite 299
San Ramon, CA 94583

**MONTEREY COUNTY
WATER RESOURCES AGENCY**

By: 
(Signature)

David E. Chardavoyne
General Manager
893 Blanco Circle
Salinas, CA 93901

EXHIBIT A

STATEMENT OF WORK

Participant desires to receive and VIASYN wishes to provide the following services:

☒ Energy Scheduling Coordination Services in the control areas checked below.
(Additional details are found in attached Exhibits.)

☒ California ISO (See Exhibit A-1)

☐ ERCOT (See Exhibit A-2)

☐ NY ISO (See Exhibit A-3)

☒ Financial Settlements for Energy Scheduling Services in the control areas checked below. (Additional details are found in attached Exhibits.)

☒ California ISO (See Exhibit A-1)

☐ ERCOT (See Exhibit A-2)

☐ NYISO (See Exhibit A-3)

☒ REC Management Services, as agreed and defined in attached Exhibit C (and all related Exhibits).

If indicated below, REC Management Services include acting as agent on behalf of Participant in the following REC regional registration and tracking systems:

☒ WREGIS

☐ ERCOT

☐ M-RETS

☐ PJM GATS

☐ NYSERDA RPS

☐ NEPOOL GIS

EXHIBIT A-1

SCHEDULING AND SETTLEMENTS SERVICES - CAISO

1. DESCRIPTION OF SCHEDULING AND SETTLEMENTS SERVICES.

(a) **Scheduling Coordination and Financial Settlements.** VIASYN will act as the duly authorized agent of Participant in the performance of Scheduling Coordinator ("SC") Services as described below in compliance in all respects with the applicable CAISO Tariff, operating requirements and criteria, scheduling procedures, and standards, including but not limited to the purchase, sale and delivery of Electric Energy for the Participant, as such may be amended from time to time. Participant recognizes that, in performing Scheduling Coordination Services, VIASYN may combine Participant Energy Schedules (both Generation and Load) with those of VIASYN, acting in its own right, and of other customers of VIASYN in accordance with CAISO procedures. At all times, title to the Electric Energy or any other Participant rights, including but not limited to Ancillary Services, Imbalance Energy, Congestion Revenue Rights ("CRRs"), Convergence Bidding, or any other CAISO market product, shall remain with Participant and not with VIASYN.

(b) **Standard of Care and Liability.** VIASYN shall perform Scheduling Coordination Services requested of it in accordance with the terms of this Agreement and good professional practices. VIASYN shall have no liability to Participant for errors in the performance of Scheduling Services unless due to a failure to act in a professional manner.

(c) **Replacement SC Prior to Termination.** Because of the commitments VIASYN must undertake under the CAISO Tariff to Participant, including the requirement that an SC continue to conduct transactions through the CAISO, this Agreement will not automatically terminate after receipt of a termination notice by a Party pursuant to Section 8 of this Agreement, provided Participant plans to continue to conduct transactions through the CAISO, unless Participant has notified VIASYN and the CAISO in writing prior at least thirty (30) Calendar Days prior to the date specified in such termination notice. The termination notice must state that a third-party SC has been engaged to replace the SC services provided by VIASYN, or that Participant has been certified to act as SC, or that Participant is withdrawing from all CAISO market activities. If Participant's termination notice does not identify a replacement SC, and Participant is not withdrawing from CAISO market activities, then this Agreement shall be automatically extended on its current terms and conditions on a month-to-month basis until Participant provides such replacement SC notice prior to the end of the then-current extension month; provided, however, that this Agreement shall not be extended beyond four (4) months after receipt of any proper termination notice without the written consent of each of the Parties. Participant shall assure that proper notice is given to the CAISO, or if necessary, other relevant parties, of any change of SC and the identity thereof. In connection with any termination of this Agreement, VIASYN shall have the right to give notice of termination of service to the CAISO and any other Market Participants as reasonably necessary to protect VIASYN against liability. Participant shall be liable for any and all expenses, costs and liabilities reasonably incurred by VIASYN as a result of the failure of Participant to become a

SC or obtain the services of a SC upon termination or the failure to provide proper notice to the CAISO of such change, provided that such expenses, costs and liabilities are not attributable to a breach or default under the Agreement by VIASYN and provided that such expenses, costs and liabilities are not otherwise covered by or associated with the payment by Participant of fees and charges hereunder. VIASYN will provide to Participant and to Participant's new SC any pertinent information and data related to Participant's CAISO market operations.

2. SUPPLEMENTAL RECITALS. Participant confirms the following recitals, which are specific to services provided in the CAISO control area.

(a) Participant has made all necessary filings with and obtained all necessary approvals from all appropriate regulatory agencies to perform its obligations under this Agreement, including but not limited to, the authority to buy and/or sell Energy as a Power Marketer, or to transact in any other CAISO market product, in the CAISO Control Area.

(b) Participant confirms that it will provide or make the necessary contractual arrangements to provide Meter Data for its Generation.

3. CAISO CHARGES.

(a) **CAISO Charges and Payments.** For each Resource ID (Generation and Load) represented by VIASYN, all CAISO Charges and Payments – including but not limited to Charges and Payments for Imbalance Energy, Ancillary Services, Congestion Revenue Rights (“CRRs”), and Convergence Bidding (collectively, “CAISO Charges”) – are invoiced directly to VIASYN by CAISO. Payment of all CAISO Invoices is due from (or to) VIASYN to (or from) CAISO, according to the CAISO Payments Calendar, which can be found on the CAISO website (www.aiso.com).

(b) **Billing and Payment.** The payment obligations of this provision shall survive termination of this Agreement until satisfied.

The billing and payment cycle for CAISO Charges follows the CAISO Payments Calendar, which can be found on the CAISO website (www.aiso.com). In the event that the CAISO Payments Calendar differs from the Billing and Payment obligations set forth in this Section 3(b), the CAISO Payments Calendar shall prevail.

(i) **CAISO Initial Settlement Statement.** Three (3) Business Days following each Trading Day, the CAISO will set forth in an Initial Settlement Statement issued to VIASYN, the actual CAISO Charges incurred for that Trading Day as calculated by the CAISO. VIASYN shall review CAISO Initial Settlement Statements upon receipt for errors and, if necessary and appropriate, initiate a formal CAISO dispute process for any CAISO Charges that VIASYN believes may be in error.

(ii) **CAISO Recalculation Settlement Statements.** CAISO issues two Recalculation Statements for each Trading Day; the first Recalculation Statement is issued twelve (12) Business Days, and the second Recalculation

Statement is issued fifty-five (55) Business Days, following the Trading Day. In addition, several optional Recalculation Statements may be issued at nine (9), eighteen (18), and/or thirty-five (35) months following each Trading Day. A final or "sunset" Recalculation Statement is issued at thirty-six (36) months. VIASYN shall review CAISO Recalculation Settlement Statements upon receipt for errors and, if necessary and appropriate, initiate a formal CAISO dispute process for any CAISO Charges that VIASYN believes may be in error.

(iii) **CAISO Invoice and Payment Advice.** CAISO periodically issues Invoices and/or Payment Advice notices representing the net amounts owed by CAISO to VIASYN (Invoice) or by VIASYN to CAISO (Payment Advice) for a collection of consecutive Trading Days, known as a "**Billing Period**". Payment thereof will be due four (4) business days later by 10:00 am Pacific prevailing time. On the due date, Payment to the CAISO must be received by 10am, while payment from the CAISO is due by 2:30pm, both Pacific prevailing time. Generally, Invoices and Payment Advice notices are issued weekly on Wednesdays. VIASYN shall review the CAISO Invoices and Payment Advice notices upon receipt, and issue a VIASYN-CAISO Invoice to Participant for all amounts properly due thereunder with respect to Participant, which VIASYN-CAISO Invoice shall contain supporting documentation and calculations reasonably satisfactory to Participant. Participant will pay VIASYN the invoiced amount due to the CAISO by wire transfer within two (2) business days of the business day on which Participant receives such invoice. In the event that the Initial Invoice, or VIASYN's review thereof, indicates that the actual CAISO Charges for the associated Billing Period(s) are less than any CAISO Payments then owing to Participant, VIASYN shall pay such difference to Participant by wire transfer not more than five (5) business days of VIASYN receipt thereof from the CAISO.

(iv) **VIASYN Shadow Settlement Report.** To assist Participant in budgeting for VIASYN-CAISO Invoices, within five (5) Business Days following the beginning of each CAISO Billing Period, VIASYN will provide to Participant via electronic mail, as set forth in Section 12(g) hereof, a reasonably detailed and commercially reasonable estimate of all CAISO Charges that will be invoiced by CAISO with respect to Participant's market performance during the associated Billing Periods.

(v) **Payments Due to VIASYN.** Participant shall remit any and all CAISO Charges owing to VIASYN by wire transfer in fully available funds to:

Silicon Valley Bank, Santa Clara CA
ABA Number: 121140399
Account Name: Viasyn, Inc.
Account Number: 3300384588

(vi) **Payments Due to Participant.** VIASYN shall remit any and all CAISO Payments due to Participant by wire transfer in fully available funds to:

Bank of America, Sacramento, CA
ABA number: 026-009-593
Account Name: County of Monterey Auditor General Account
Account Number: 00729-80101

(c) **Settlement.** All applicable CAISO Charges incurred by VIASYN in arranging energy transactions and transmission service for Participant shall be invoiced to and paid by Participant. When CAISO Payments are made to VIASYN by the CAISO on behalf of the Participant, the amount due to the Participant shall be paid by VIASYN subsequent to a five (5) business day VIASYN reconciliation period, unless otherwise agreed to.

(d) **Disputed Payments.** If all or any portion of a CAISO Invoice is disputed by Participant, the entire amount of the Invoice shall be paid by Participant when due, and a VIASYN authorized representative shall be provided with a written notice of the disputed amount and the basis for the dispute within seven (7) business days following receipt of the disputed invoice. VIASYN shall reimburse any amount determined to be correctly disputed within five (5) business days of the determination.

(e) **Reports.** Detail data by CAISO Charge Code used to support VIASYN's calculations of amounts owing or due to Participant (in such hourly or other increment as provided by CAISO) will accompany all VIASYN-CAISO Invoices to Participant. All such reports shall be sent to Participant by electronic mail in Excel spreadsheet format, or such other mutually agreeable format.

(e) **CAISO Data Access.** VIASYN shall provide direct access (read only) to the CAISO web portal to Participant and those authorized by Participant.

4. CAISO SECURITY DEPOSIT

(a) **CAISO Security Deposit.** VIASYN is required by CAISO to maintain a Security Deposit in an amount calculated by CAISO as sufficient to cover all of VIASYN's obligations to CAISO. CAISO may, at any time, review and increase or decrease the CAISO Security Deposit, based on: 1) a change in security requirements; or 2) a change in VIASYN's creditworthiness; or 3) any delay or default by VIASYN in making payments due to CAISO. The CAISO Security Deposit is security in favor of CAISO in case of non-payment of any CAISO Charges invoiced to VIASYN.

(b) **VIASYN Security Deposit.** Participant shall deposit cash in an amount equal to \$1,500 (the "*Base Security Deposit*"), into an interest bearing deposit account in VIASYN's name maintained at a bank or financial institution designated or approved by VIASYN (each, a "*Security Deposit Bank*"). Security Deposits to this account will be security in favor of VIASYN in case of Participant non-payment of any invoiced amount.

(c) **Review of Security Deposits.** VIASYN may, at any time, review and increase or decrease Participant's VIASYN Security Deposit by an amount equal to a good faith estimate of Participant's liability for all CAISO Charges, and/or Participant's share of any required additional CAISO Security Deposit, that may be incurred prior to Participant's payment

of any such amounts to VIASYN. VIASYN may increase or decrease Participant's VIASYN Security Deposit based on: 1) a change in the CAISO Security Deposit imposed on VIASYN by the CAISO; or 2) a change in the creditworthiness of Participant; or 3) any delay or default in making payments due by Participant under this Agreement. Any required additional VIASYN Security Deposit shall be referred to as the "***Additional Security Deposit***". If CAISO requires VIASYN to post an additional CAISO Security Deposit, VIASYN must deposit the requested amount within two (2) business days of receipt of written notification. In the event that CAISO requires VIASYN to post an additional CAISO Security Deposit, Participant agrees to transfer an Additional VIASYN Security Deposit amount equivalent to a good faith estimate of the portion of Participant's contribution to such CAISO additional Security Deposit, into the Security Deposit Bank account within one (1) business day of receipt of written notification of such VIASYN Additional Security Deposit requirement.

(d) **Failure to Maintain Security Deposit Requirements.** If Participant does not comply with the terms set forth in this section, VIASYN may, in its reasonable discretion and as its sole remedy, elect to terminate this Agreement upon Notice to Participant in which event this Agreement will terminate in accordance with Section 1(c) of this Exhibit A-1 and Section 8 of this Agreement, and VIASYN may limit submission of any Participant schedule, trade, or other CAISO transaction.

(e) **Maintenance of Additional VIASYN Security Deposit.** VIASYN may, but is not obligated to, require Participant to maintain the Additional VIASYN Security Deposit for: 1) so long as the CAISO may impose such higher security requirement upon VIASYN (to the extent the Additional Security Deposit resulted from increased CAISO requirements applicable to Participant); or 2) at least one (1) year from the date of a payment delay or default (to the extent that the Additional Security Deposit resulted from a payment delay or default). Notwithstanding the foregoing, VIASYN shall refund all unused Base VIASYN Security Deposit and Additional VIASYN Security Deposit to Participant within fifteen (15) calendar days of final CAISO settlement following a termination or expiration of this Agreement.

(f) **VIASYN Security Deposit Account.** Participant shall remit Base VIASYN Security Deposit and Additional VIASYN Security Deposit amounts to VIASYN by wire transfer in fully available funds to:

Silicon Valley Bank, Santa Clara CA
ABA Number: 121140399
Account Name: Viasyn, Inc.
Account Number: 3300384588

5. VIASYN FEES, VIASYN SECURITY DEPOSIT, AND CAISO CHARGES.

Participant shall pay the Fees and Charges as set forth in the following table:

CAISO Resource ID: OILFLD_7_QFUNTS

Category	Rate	Due
Initial Setup	\$0.00	On Agreement Effective Date
Scheduling and Settlements Fees		
Scheduling Coordination: Day-ahead, Hour-ahead, SLIC and settlements only; no real-time duties.	\$500 per month	Up-front for subsequent month; net 30 Services fee will be \$500 per month for the initial 3 years from contract initiation. Beginning in the 4 th year, the services fee shall escalate by 3% per year.
Scheduling Coordination: Real-time (Intertie, A/S, SE)	N/A	N/A
NERC Tagging	\$100 month plus \$25/Tag/Day	As required; estimated and invoiced up-front for subsequent month; any required true-up amount will appear on the following invoice; net 30
Early Termination Fee	\$1500	One time, invoiced if Participant elects to terminate the Agreement prior to one (1) calendar year from the effective date of the contract; net 30
CAISO Charges		
Net Due to CAISO	As Invoiced	Within 2 Business Days of Invoice date
Net Due to Participant	As Received	Within 5 Business Days of VIASYN's receipt of funds from CAISO
VIASYN Security Deposit:		
Base Security Deposit	\$1500	Due upon signing of Agreement (At Viasyn discretion; minimum \$0)
Additional Security Deposit	TBD	According to Section 4 of Exhibit A-1
Consulting Services	Up to \$350 per hour, depending on consultant	As requested by Participant and invoiced by VIASYN

EXHIBIT B

**FORM OF SUPPLEMENTAL STATEMENT OF WORK
SCHEDULING AND SETTLEMENTS SERVICES – CAISO**

[DATE]

1. Description of Services and Standard of Care.

2. Fee and Security Deposit Schedule. Participant shall pay the Fees set forth as follows:

Fee Category	Rate	Due

IN WITNESS WHEREOF, and in acknowledgment that the parties hereto have read and understood each and every provision hereof, the parties have executed this Statement of Work on the date first set forth above.

AGREED:

VIASYN, INC.

**MONTEREY COUNTY
WATER RESOURCES AGENCY**

By: _____
(Signature)

By: _____
(Signature)

Name:
Title:

Name:
Title:

EXHIBIT C
STATEMENT OF WORK
REC MANAGEMENT SERVICES

01 JULY 2013

- 1. Description of REC Management Services.** VIASYN provides services to manage the non-electricity attributes of qualifying electricity generation, including but not limited to Renewable Energy Credits and/or other non-electricity attributes (together, "**RECs**") VIASYN's REC Management Services include participating as an account holder in relevant REC issuance and tracking systems.

Participant wishes VIASYN to structure financial and other transactions on Participant's behalf, in accordance with Participant's instructions, for Participant's RECs.

Participant may instruct VIASYN from time to time to structure REC transactions, and agrees to pay VIASYN's usual and customary fee for each transaction confirmed by VIASYN with Participant's authorized representative. Such fee shall be agreed to between VIASYN and Participant prior to confirmation and shall be set forth in a Confirmation Letter provided to Participant by Viasyn by fax on the same day of each transaction, unless otherwise agreed.

- 2. Bilateral REC Purchase and Sale Transactions.** VIASYN agrees to act as Participant's agent, at Participant's direction, to identify and arrange private party REC transactions, including but not limited to transactions which may occur on any of the regional registration and tracking systems in North America. Transactions include but are not necessarily limited to contracts to purchase and/or sell RECs, to transfer title to RECs among different parties, and the permanent "retirement" of RECs in compliance with any applicable Renewable Portfolio Standard ("**RPS**"). VIASYN's obligation shall be limited to using commercially reasonable efforts to arrange purchase, sale and/or transfer agreements at the best prices available to VIASYN acting solely and exclusively as an agent for Participant. At all times, title to the non-electricity attributes of renewable generation, including but not limited to RECs, shall remain with Participant and not with VIASYN.
- 3. Instructions to Sell, Purchase, Exchange or Transfer.** Participant shall from time to time instruct VAISYN to sell, purchase, hold, exchange or transfer RECs on such terms and conditions as Participant may determine in its sole discretion ("**Participant's Directions**"). Such transactions may include but are not limited to: purchase or sale of RECs; direct swap of RECs; simultaneous purchase or sale together with an offsetting sale or purchase of different RECs; and the internal

transfer of RECs held in any Participant account on any issuance and tracking system. Participant's Directions must be given or confirmed in writing. VIASYN shall execute transactions on Participant's Directions and only upon Participant's Directions and otherwise pursuant to the terms and conditions in this Agreement. VIASYN may rely upon, and shall be indemnified by Participant from and against any and all loss and damages resulting from its acting or refraining from acting in accordance with Participant's Directions or other communications including without limitation any notice, request, direction, consent, report, certificate or other instrument paper or document received by telephone or in writing, whether by mail, delivery, facsimile or other means, and signed by an individual that VIASYN reasonably believes is an Authorized Agent of Participant.

4. **Confirmation Letter.** During the term of the Agreement, VIASYN and Participant may from time to time agree to have VIASYN provide to Participant such services as described above. Such an agreement may be made in either oral or written communication, but in any event shall be promptly confirmed in writing by VIASYN to Participant in the form of a Confirmation Letter. The Confirmation Letter must include, at a minimum the following terms: transaction type; transaction date; quantity; price; term; commission; counterparty and counterparty contact information; and any other pertinent terms. Participant shall notify VIASYN within one (1) business day after receipt of Confirmation Letter, of any disagreement with the terms set forth within. This Agreement and the written Confirmation Letter shall comprise the terms and conditions of the transaction. In the event of a discrepancy between this Agreement and the written Confirmation Letter, the Confirmation Letter shall govern.
5. **Market Information.** VIASYN will provide to Participant at Participant's request, available market and price information relating to Participant's RECs.
6. **Acceptance of Risk.** Participant represents that it will independently determine the appropriateness of any transaction that Participant initiates pursuant to the terms of this Agreement and that it assumes the full risk as to the value, if any, that the RECs may have at any time.
7. **Notices.** Notices and other written communications shall be made according to section 12(g) of this Agreement.
8. **Billings and Payments.** VIASYN shall prepare a monthly statement for REC Management Services provided during the preceding month and forward it to Participant at the beginning of the following month. Such statement shall reference the Confirmation Letter for each transaction, the transaction type and date, the counterparties involved, and the commission due.
9. **Consent to Recording.** The parties hereto agree: 1) that each may electronically monitor or record, at any time and from time to time, any and all communications between them; 2) to waive any further notice of such monitoring and recording; 3) to notify its officers and employees of such monitoring and recording; and 4) that any

such monitoring and recording may be submitted into evidence in any suit, trial, hearing, arbitration or other proceeding.

10. Term. VIASYN shall provide these REC Management Services as of the date written above, and shall continue until terminated by Participant or VIASYN upon 30 days written notice.

11. Miscellaneous. From time to time, Participant may desire VIASYN to provide additional REC Management Services. In such case, Participant and VIASYN shall in good faith negotiate Supplemental Statements of Work, substantially in the form attached hereto as Exhibit D. Upon execution and delivery by each of the Parties each such Supplement shall be deemed to be a part of this Agreement.

12. REC Management Fee Schedule. Participant shall pay the Fees set forth as follows:

Category	Rate	Due
Initial Setup	\$0	Waived
REC Transactions	N/A	Monthly
REC Reporting and Tracking	\$0	Included in monthly Scheduling Coordination services fee
Registration and Tracking System Charges	As Invoiced	Within 10 business days of receipt of invoice
Consulting Services	\$160-220 per hour, based on consultant	As requested by Participant and invoiced by VIASYN

EXHIBIT D

FORM OF SUPPLEMENTAL STATEMENT OF WORK

REC MANAGEMENT SERVICES

[DATE]

1. Description of Services and Standard of Care.

2. Fee and Security Deposit Schedule. Participant shall pay the Fees set forth as follows:

Fee Category	Rate	Due

IN WITNESS WHEREOF, and in acknowledgment that the parties hereto have read and understood each and every provision hereof, the parties have executed this Statement of Work on the date first set forth above.

AGREED:

VIASYN, INC.

**MONTEREY COUNTY
WATER RESOURCES AGENCY**

By: _____
(Signature)

By: _____
(Signature)

Name:
Title:

Name:
Title:



***Before the Board of Directors of the Monterey County Water Resources Agency
County of Monterey, California***

Board Order No. 13-45

APPROVE A MASTER ENERGY SERVICES AGREEMENT)
WITH VIASYN INC., TO PROVIDE ENERGY SCHEDULING)
COORDINATION SERVICES, FINANCIAL SETTLEMENTS)
FOR ENERGY SCHEDULING SERVICES, AND REC)
MANAGEMENT SERVICES FOR THE NACIMIENTO)
HYDROELECTRIC FACILITY; AND, AUTHORIZE THE)
GENERAL MANAGER TO EXECUTE THE AGREEMENT IN)
SUBSTANTIALLY THE FORM ATTACHED.)

Upon motion of Director Hoover and second by Director Hart and carried by those members present, the Board of Directors hereby:

1. Approves a Master Energy Services Agreement with VIASYN, Inc to provide energy scheduling coordination services, financial settlements for energy scheduling services, and REC management services for the Nacimiento Hydroelectric Facility; and,
2. Authorizes the General Manager to execute the Agreement in substantially the form attached.

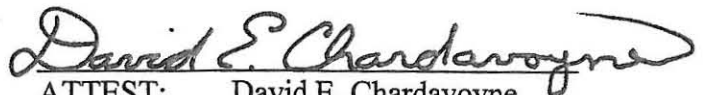
PASSED AND ADOPTED on this 26th day of August 2013, by the following vote, to-wit:

AYES: Directors Ken Ekelund, Claude Hoover, Mark Gonzalez, David Hart, Richard Ortiz, Mike Scattini and Deidre Sullivan

NOES: None

ABSENT: Directors Silvio Bernardi and Fred Ledesma


BY: Ken Ekelund, Chair
Board of Directors


ATTEST: David E. Chardavoyne
General Manager



Monterey County Water Resources Agency

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Order

Upon motion of Supervisor Salinas, seconded by Supervisor Potter and carried by those members present, the Board of Supervisors hereby:

- a. Approved, ratified and authorized the Contracts/Purchasing Officer to sign two agreements related to power generated at the Nacimiento Hydroelectric Plant: A Power Purchase Agreement with 3 Phases Renewables, LLC for power generated at the Nacimiento Hydroelectric Plant for the term August 26, 2013 through December 31, 2013; and, a Master Services Energy Agreement with VIASYN, Inc. to provide Energy Scheduling Coordination and Financial Settlements Services for power generated at the Nacimiento Hydroelectric Plant for a three-year term effective July 1, 2013, in an amount not to exceed \$20,000; and,
- b. Accepted Non-Standard County Liability and Indemnification Provisions as recommended by the General Manager of the Water Resources Agency and the County Procurement Officer.

PASSED AND ADOPTED on this 3rd day of December 2013, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Parker and Potter
NOES: None
ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 77 for the meeting on December 3, 2013.

Dated: December 6, 2013
File Number: WRAG 13-046

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By 
Deputy