

EQUIPMENT SUPPLY AND SERVICES CONTRACT

By and Between

CITY OF DENTON

And

WÄRTSILÄ NORTH AMERICA, INC.

For

POWER GENERATING EQUIPMENT AND SERVICES

dated as of September 13, 2016

This document and any attachments thereto may contain information that is confidential, commercially-sensitive, proprietary, and/or public power utility competitive and financial information in accordance with the provisions of Texas Government Code, Section 552.101, 552.104, 552.110 and/or 552.133, and may be protected from required public disclosure.

This EQUIPMENT SUPPLY AND SERVICES CONTRACT (this "Agreement"), is made and entered into as of this day of September 13th, 2016 (the "Effective Date"), by and between the CITY OF DENTON, a home-rule municipal corporation organized and existing under the laws of the State of Texas, with offices located at 215 E. McKinney St., Denton, Texas 76201 ("Buyer"), and WÄRTSILÄ NORTH AMERICA, INC., a corporation organized and existing under the laws of the State of Maryland, with offices located at 11710 North Gessner Road, Suite A, Houston, Texas 77064 ("Supplier").

RECITALS

WHEREAS, Buyer is developing an approximately 225 MW gross nameplate capacity natural gas-fired electric power generation project (the "Project") to be located in Denton, Texas, United States; and

WHEREAS, in connection with the Project, Buyer desires to purchase from Supplier, and Supplier desires to supply, twelve (12) W18V50SG engines, along with appurtenant equipment and related technical services for the Project, all as more particularly described herein;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, intending to be legally bound, the Parties hereto agree as follows:

ARTICLE 1

AGREEMENT; INTERPRETATION; DEFINITIONS

1.1 Documents Included. This Agreement consists of this document and the following annexes and exhibits which are attached hereto (collectively, "Appendices"), and which are specifically made a part hereof by this reference:

Annex A -	General Scope of Supply
Annex B -	Technical Specification
	Attachment 1-Tools List
Exhibit 1 -	Project Milestone Schedule
Exhibit 2 -	Milestone Payment Schedule
Exhibit 3 -	Form of Payment and Performance Bonds
Exhibit 4 -	Delivery Schedule; Delivery Liquidated Damages
Exhibit 5 -	Performance Guarantees and Performance Liquidated Damages
	Attachment 1- Derating Curves
	Attachment 2- Emissions Guarantees
Exhibit 6 -	Insurance
Exhibit 7 -	Fuel Gas Specification

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Exhibit 8 -	Performance Test Guidelines
Exhibit 9 -	Form of Start-Up Certificate
Exhibit 10-	Form of Acceptance Certificate
Exhibit 11-	Form of Change Order
Exhibit 12-	List of Document Deliverables
Exhibit 13-	Cancellation Table
Exhibit 14-	Safety Spare Parts List
Exhibit 15A-	Form of Partial Lien Waiver
Exhibit 15B-	Form of Final Lien Waiver
Exhibit 16-	Form of Mechanical Completion Certificate
Exhibit 17-	Form of Final Completion Certificate

1.2 Entire Agreement. This Agreement sets forth the full and complete understanding of the Parties relating to the subject matter hereof as of the date first above stated, and supersedes any and all negotiations, agreements and representations made or dated prior thereto. Subsequent to the date hereof, this Agreement may be supplemented, modified or otherwise amended by mutual agreement or in accordance with the terms of this Agreement. Such amendments, if any, must be in the form of a written amendment to this Agreement, and signed by authorized representatives of both Parties to this Agreement.

1.3 Conflicting Provisions. In the event of any conflict or inconsistency between (a) this document (excluding all Appendices) and (b) the Appendices attached hereto, this document (excluding all Appendices) shall govern. In the event of a conflict or inconsistency among the Appendices, shall be resolved in accordance with the following order of precedence: i) Annex A; (ii) Annex B; (iii) Exhibit 5; (iv) the other Appendices and (v) the specific shall prevail over the general and, in the event the conflict or inconsistency cannot clearly be resolved by the application of that principle. Either Party, upon becoming aware of any conflict or inconsistency among any of the components of this Agreement, shall promptly notify the other Party in writing of such conflict or inconsistency.

1.4 Rules of Interpretation.

1.4.1 Terminology. Unless otherwise required by the context in which any term appears:

(i) Capitalized terms used in this Agreement shall have the meanings specified in this Article or defined elsewhere in this Agreement.

(ii) The singular shall include the plural and the masculine shall include the feminine and neuter.

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(iii) References to "Articles," "Sections," "Annexes," or "Exhibits" shall be to articles, sections, annexes, or exhibits of this Agreement, and references to paragraphs or clauses shall be to separate paragraphs or clauses of the section or subsection in which the reference occurs.

(iv) The words "herein," "hereof" and "hereunder" shall refer to this Agreement as a whole and not to any particular section or subsection of this Agreement; the words "include," "includes" or "including" shall mean "including, but not limited to."

(v) The term "day" shall mean calendar day (beginning at 12:00 a.m. and ending at 11:59 p.m.), in the location where the relevant (a) payment of funds is to be received, (b) notice is to be received, or (c) performance is to be made; and the term "business day" shall mean a weekday on which commercial banks are commonly open in the relevant location as aforesaid. Whenever an event is to be performed by a particular date, or a period ends on a particular date, and the date in question falls on a weekend, or on a day which is not a business day, the event shall be performed, or the period shall end, on the next succeeding business day.

(vi) All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles in the United States of America, consistently applied.

(vii) All references to a particular entity shall include such entity's successors and permitted assigns.

(viii) All references herein to any contract (including this Agreement) or other agreement shall be to such contract or other agreement as amended and supplemented or modified to the date of reference.

(ix) All references to any Law includes any amendment, modification or successor thereto.

(x) Words and abbreviations that have well-known technical or trade meanings are used in this Agreement in accordance with such recognized meanings, except to the extent a definition herein set forth requires otherwise.

1.4.2 Headings. The titles of the articles and sections herein have been inserted as a matter of convenience or reference only, and shall not control or affect the meaning or construction of any of the terms or provisions hereof.

1.4.3 Joint Responsibility for Drafting. This Agreement was negotiated and prepared by both Parties and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this Agreement or any part thereof.

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1.4.4 Obligation to Act in Good Faith, Etc. The Parties shall act reasonably and in accordance with the principles of good faith and fair dealing in the performance of this Agreement. Unless otherwise expressly provided herein, where the Agreement requires the consent, approval, or similar action by a Party, such consent or approval shall not be unreasonably withheld or delayed, and wherever the Agreement gives a Party a right to determine, require, specify or take similar action with respect to a matter, such determination, requirement, specification or similar action shall be reasonable. Both Parties shall comply with its intent and general purpose, and shall not avail itself of manifest errors or omissions herein to the detriment of the Project.

1.5 Definitions. For the purposes of this Agreement, the following words and terms shall have the meanings specified below:

"Acceptance" has the meaning set forth in Section 5.3.4.

"Acceptance Certificate" has the meaning set forth in Section 5.3.4.

"Acceptance Date" has the meaning set forth in Section 5.3.4.

"Affiliate" means a person or entity who, with respect to a specified person or entity, directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, the person or entity specified.

"Agreement" has the meaning set forth in the initial paragraph of this Agreement.

"Appendices" has the meaning set forth in Section 1.1.

"Buyer" has the meaning set forth in the preamble of this Agreement.

"Cancellation Table" refers to Exhibit 13.

"Change in Law" means the enactment, adoption, promulgation, modification or repeal of any Law or Governmental Permit after the Effective Date that has or will have an adverse effect on Supplier's costs and/or schedule for performing the Work; provided, however, that no Change in Law pursuant to this Agreement shall arise or be deemed to arise by reason of (a) any national, federal, state or local (other than City of Denton) tax Law based on income, (b) any federal law imposing a custom, duty, levy, impost, fee, royalty or similar charge for which Supplier is responsible hereunder with respect to the importation of Equipment from outside of the United States, (c) a labor wage law or other applicable Law (other than imposed by City of Denton) that affects Supplier's or its Subcontractor's costs of employment, (d) a change of Law outside of the United States of America, including any change in law that affects the cost of goods, manufacturing, shipping or other transportation of any Equipment and (e) the final

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enactment, modification, amendment or repeal of an applicable Law prior to the Effective Date with an effective date of such action that falls after the Effective Date.

"Change Order" has the meaning set forth in Section 9.1.

"Commercial Operation" means the production and commercial sale of electrical power from the Plant or any portion thereof, except for electricity produced in order to conduct the Performance Tests or for Start-Up.

"Contract Price" has the meaning set forth in Section 3.1.

"Control" means the power to direct or cause the direction of the management and policies of a person or entity, whether through ownership of voting securities, by contract, or otherwise, and "Controlled" shall have correlative meaning.

"Delay Liquidated Damages" means amounts payable by Supplier to Buyer for failure to meet Delivery Schedule commitments as provided in Section 4.2 and Exhibit 4.

"Delayed Payment Rate" means the maximum rate required by Sec. 2251.025 of the Texas Government Code (Prompt Payment Act).

"Disputed Amount" has the meaning set forth in Section 3.4.2.

"Document Delivery Schedule" means the schedule attached hereto as Exhibit 12.

"Documentation" has the meaning set forth in Article 10.

"Dollar" or "\$" means the lawful currency of the United States of America.

"Down Payment" means the down payment set forth in the Milestone Payment Schedule.

"Effective Date" has the meaning set forth in the initial paragraph of this Agreement.

"Engine" means a Wärtsilä W18V50SG engine, as more fully described in Annex B.

"Engine Hall" means each of the two engine halls in the main power station building at the Project Site as more particularly described in the Technical Specifications.

"Equipment" means the Engines and other equipment, supplies, materials, and Documentation to be provided by Supplier hereunder, as set forth in this Agreement (including in Annex A).

"Event of Buyer Default" has the meaning set forth in Section 13.3.

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"Event of Force Majeure" has the meaning set forth in Section 14.1.

"Event of Supplier Default" has the meaning set forth in Section 13.1.

"Extended Warranty Period" has the meaning set forth in Section 11.2.

"Final Completion" has the meaning set forth in Section 5.3.4.

"Final Completion Certificate" means a certificate in the form of Exhibit 17 issued by Supplier indicating the required Final Completion has been met.

"Final Notice to Proceed" means a written notice delivered from Buyer to Supplier indicating that the first Payment Milestone has occurred.

"Final Test Procedure" means the procedures for testing the Equipment developed and finalized in accordance with the Performance Test Guidelines under Exhibit 8.

"Generator Set" means the unit consisting of the assembly of an Engine, generator, flywheel, mechanical coupling and base-frame.

"Generator Set Delivery" has the meaning set forth in Section 2.2.

"Governmental Approval" means any authorization, consent, approval, license, lease, ruling, permit, certification, exemption, or registration by or with any Governmental Unit.

"Governmental Unit" means any national, state or local government, any political subdivision thereof, or any governmental, quasi-governmental, judicial, public or statutory instrumentality, administrative agency, authority, body or other entity having jurisdiction over the performance of the Services, Equipment, the Plant or its operations (including the transmission of electricity from the Plant), or the health, safety or environmental conditions of the Plant or the Plant Site or otherwise over the Parties. "Indemnified Party" has the meaning set forth in Section 16.4.

"Indemnifying Party" has the meaning set forth in Section 16.4.

"Law" means any statute, law, regulation, ordinance, rule, judgment, order, decree, directive, or requirement, or any similar form of decision of or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Unit, including those governing wages, hours, employment discrimination, safety, workers' compensation, employee disability and employee benefits, but excluding those relating to ambient air emissions, effluent emission or noise.

"Lien" means with respect to any property or asset, any mortgage, deed of trust, lien, pledge, charge, security interest or encumbrance of any kind, whether or not filed, recorded or otherwise perfected or effective under applicable Law, as well as the interest of any lessor under

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any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

"Liquidated Damages" means all or each of, as required by the context, the Delay Liquidated Damages and the Performance Liquidated Damages.

"Mechanical Completion" has the meaning set forth in Section 5.3.1.

"Milestone Payment Schedule" means the schedule set forth in Exhibit 2.

"Milestone Payment" means the amount of the payment set forth each row of the Milestone Payment Schedule corresponding to a Payment Milestone.

"Minimum Performance Standards" has the meaning set forth in Exhibit 5.

"Must-Make Guarantees" has the meaning set forth in Section 8.2.

"Other Equipment Delivery" has the meaning set forth in Section 2.2.

"Parties" means Buyer and Supplier.

"Party" means Buyer or Supplier.

"Payment Milestone" means each of the milestones identified as such and set forth in each row of the Milestone Payment Schedule.

"Performance Incentive" means the amounts payable by Buyer to Supplier for performance that exceeds the Exhaust Emissions Guarantee, as set forth in Exhibit 5 and Section 8.4.

"Performance Guarantees" means the Performance Guarantees set forth in Exhibit 5.

"Performance Liquidated Damages" means the amounts payable by Supplier to Buyer for failure to meet the Performance Guarantees as set forth in Exhibit 5.

"Performance Tests" means the tests to demonstrate compliance of the Equipment with the Performance Guarantees and Minimum Performance Standards, as provided in Exhibit 5.

"Plant" means the electric power generating facility to be constructed by Buyer and utilizing the Equipment delivered and sold to Buyer by Supplier in accordance with this Agreement.

"Plant Site" means the location of the Plant at or near roughly south of 5581 Jim Christal Road, Denton, Texas, 76207.

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"Primary Warranty Period" has the meaning set forth in Section 11.2.

"Project" has the meaning set forth in the first recital of this Agreement.

"Project Fuel" means the reference fuel described in Exhibit 7.

"Project Milestone" means each of the critical path milestones for completion of the Project set forth on the first page of the Project Milestone Schedule under the heading "Project Milestones".

"Project Milestone Schedule" means the schedule set forth in Exhibit 1.

"Prudent Electric Practices" means, as of any particular time, any of the practices, methods or acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good engineering practices, reliability, safety, expedition and compliance with Laws in facilities like the Plant utilizing like Equipment. Prudent Electric Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of reasonable and prudent practices, methods, standards and procedures.

"Punchlist" has the meaning set forth in Section 5.3.7.

"Supplier" has the meaning set forth in the preamble to this Agreement.

"Supplier Parent" means Wärtsilä Corporation, a corporation organized and existing under the laws of Finland.

"Supplier Payment & Performance Bond" has the meaning set forth in Section 2.5.

"Supplier's Representative" has the meaning set forth in Section 2.3.

"Services" means all of the services to be provided by Supplier under this Agreement, as identified in Annex A and described in Annex B.

"Start-Up" has the meaning set forth in Section 5.3.2.

"Start-Up Certificate" has the meaning set forth in Section 5.3.2.

"Subcontractor" means any person, including any vendor, with whom Supplier has entered into any subcontract to perform any part of the work under this Agreement or to provide any Equipment on behalf of Supplier.

"Work" has the meaning set forth in Section 2.1.

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ARTICLE 2

SCOPE OF SUPPLY AND SCOPE OF SERVICES; PERFORMANCE SECURITY

2.1 Scope of Supply and Scope of Services. Supplier shall, in accordance with the provisions of this Agreement, provide the Equipment and perform the Services identified in Annex A and Annex B in accordance with Exhibit 2 (collectively, the "Work") for the Contract Price. Supplier shall, in accordance with this Agreement, provide all labor, services, management, advising, materials, equipment, tools and other items necessary for the design, engineering and supply of the Equipment and for completing the Generator Set Deliveries and the Other Equipment Deliveries, including those items specifically required by Annex A or Annex B, excluding those specific items expressly set forth herein as being the responsibility of others. The Parties shall cooperate fully in all regards with the intent to improve the performance of the Work, and reduce the likelihood of operating and maintenance impacts consistent with the requirements of this Agreement.

2.2 Milestones; Delivery. Supplier shall be responsible for carrying out and completing each element of the Work, including Work associated with each of the Project Milestones required under Exhibit 1 to be completed by Supplier with diligence within the deadline set forth therein, and the Payment Milestones identified in Exhibit 2, with diligence within the time set forth in the first column in Exhibit 2. Without limiting the generality of the foregoing, Supplier shall be responsible for (a) delivery of the Equipment which will comprise each of the twelve (12) Generator Sets to the designated Plant Site laydown area, (b) assembling each Generator Set at the designated Plant Site assembly area, (c) moving the assembled Generator Sets to and setting them down on their permanent foundations in the Plant's power station building, and (d) delivering a notice to Buyer certifying completion with respect to each set of six total Generator Sets in Engine Hall 1 and with respect to each set of six total Generator Sets in Engine Hall 2 in accordance with this Agreement of all of the activities in the foregoing clauses (a) thru (c) promptly after their completion (when completed for each set of six total Generator Sets in each Engine Hall, an "Generator Set Delivery"). Supplier shall be responsible for delivery to Plant Site of all other Equipment available for removal from back of Supplier's trucks at Plant Site, each with a corresponding complete packing list ("Other Equipment Delivery"). Generator Set Deliveries shall be timely completed according to Project Milestones with Activity Codes A1880 and A1890 in the Project Milestone Schedule contained in Exhibit 1, and Other Equipment Deliveries shall be timely completed according to Project Milestones with Activity Codes A1850, A1860, and A1870 in the Project Milestone Schedule contained in Exhibit 1. Supplier shall provide a web link to shipper's website showing status of Equipment in transit. Delivery of all Equipment shall be made DDP- INCOTERM 2010.

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2.3 Supplier Representative. Within ten (10) days after the Effective Date, Supplier shall notify Buyer of the individual designated by Supplier (the "Supplier's Representative") to oversee Supplier's performance under this Agreement and who shall act as the primary point of contact for Supplier with respect to this Agreement.

2.4 New Equipment. All Equipment and materials delivered to Buyer by Supplier shall be new and free from defects and in accordance with this Agreement and with Annexes A and B, unless otherwise agreed to in writing by Buyer.

2.5 Supplier Payment & Performance Bond.

In order to secure Supplier's performance obligations under this Agreement, Supplier shall, within ten (10) days after receipt of the Final Notice to Proceed payment, deliver to Buyer a payment and performance bond in substantially the form set forth in Exhibit 3 and otherwise in form and substance compliant with the Law of the State of Texas for such bonds for projects similar to the Project, duly issued by a reputable national underwriter reasonably acceptable to Buyer (the "Supplier Payment & Performance Bond"). The Supplier Payment & Performance Bond shall remain in full effect until the date of the expiration of the last warranty period under Section 11.2.

2.6 Prudent Electric Practices. Supplier shall perform its obligations in good faith and in accordance with this Agreement and, in the absence of specific requirements herein, Prudent Electric Practices. Supplier shall not unreasonably interfere with Buyer's general contractor's work at the Plant Site.

2.7 Governmental Authorizations. Except for all Government Approvals that are expressly Buyer's obligations, Supplier shall obtain all Governmental Approvals required under applicable Law for Supplier to design and otherwise engineer the Equipment, manufacture, assemble and test the Equipment, deliver the Equipment, and otherwise perform its obligations under this Agreement. Supplier shall design and carry out the Work such as to achieve the objective of an efficient and safe Plant which complies with all requirements of Law and other requirements of this Agreement.

2.8 Labor and Subcontractors. In its performance of the Services, Supplier shall use trained and qualified personnel. However, it is the Parties' understanding that Supplier's work at the Plant Site shall be performed without unionized or other form of organized labor. In connection with its performance of the Work, Supplier may engage qualified and reputable Subcontractors as it shall deem appropriate. Supplier shall timely pay all of its Subcontractors and suppliers, and shall keep the Project and the Plant free of their Liens, including bonding of such Liens where necessary. Supplier shall be fully liable to Buyer for all acts and omissions of each Subcontractor to the same extent as though any such act or omission had been performed or omitted by Supplier directly. In no event will Supplier's engagement of any Subcontractor relieve Supplier of any of its obligations or liabilities hereunder. Buyer shall have no contractual obligation to, and

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shall not be deemed to be in privity with, any Subcontractor, provided, however, that in the event Supplier's obligations hereunder terminate for any reason, Supplier shall, at Buyer's request, and to the extent it is reasonably able to do so, take such actions and execute such documents as may be required to assign any or all subcontracts to Buyer to the extent the same does not result in additional cost or expense to Supplier.

2.9 Parts. Supplier shall provide all spare parts needed for the Equipment's commissioning and those listed in Exhibit 14.

2.10 Final Test Procedure. Within ninety (90) days before Mechanical Completion, the Parties shall agree upon the Final Test Procedure, which shall be based on the Performance Test Guidelines attached hereto as Exhibit 8.

2.11 Intellectual Property Rights. Supplier grants to Buyer and its successors and assigns a non-exclusive, royalty-free, irrevocable license under patents or other intellectual property rights now or hereafter owned by Supplier which cover any apparatus, article, process or composition used or produced in the performance of the Work or in its use and operation in the Plant or Project, said license being freely transferrable to any future owner of the Plant or Project.

ARTICLE 3

CONTRACT PRICE AND PAYMENT TERMS

3.1 Contract Price. The total price for all Work and the performance of all other obligations of Supplier under this Agreement shall be [REDACTED] (such amount, as it may from time to time be adjusted in writing between the Parties and pursuant to the terms of this Agreement, the "Contract Price").

3.2 Delivery & Taxes. The Contract Price is based on Equipment delivery DDP Incoterms 2010 as specified in Section 2.2 of this Agreement and Exhibit 4. The Contract Price is complete compensation for the provision of all Work and includes all transportation and shipping costs imposed with respect to the provision of any Equipment or Services. In addition to the Contract Price, Buyer shall be responsible for all present or future property, sales, use, excise, privilege or similar taxes or assessments applicable to the Work or to the use of the Work. Supplier shall be responsible for, and shall not add to or be entitled to reimbursement for, the amount of any customs, customs broker fees, import and export duties, tariffs, and similar assessments imposed in connection with the export or import of the Work or for any taxes and assessments payable by Supplier by any Governmental Unit which is outside of the United States of America in connection with Supplier's performance of the Work. Supplier shall be responsible for its own gross or net income taxes, capital taxes, franchise taxes and net worth taxes

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imposed on Supplier and any and all payroll or other employee-related taxes related to the performance of the Work. Buyer qualifies for sales tax exemption pursuant to the provisions of Article 20.04 (F) of the Texas Limited Sales, Excise and Use Tax Act. In the performance of its Work, Supplier may by separate agreement purchase materials and supplies and rent or lease equipment from Buyer sales tax free. In connection with any such transaction, Buyer would issue exemption certificates to Supplier in compliance with the State Comptroller's ruling #95-0.07 and #95-0.09.

3.3 Milestone Payment Schedule. Buyer shall pay Supplier the Contract Price at the times and in the amounts set forth in the Milestone Payment Schedule in accordance with the provisions of this Article 3.

3.4 Invoices.

3.4.1 Upon achieving each Payment Milestone, Supplier shall furnish Buyer (at the address set forth in Section 18.1) with an invoice (i) referencing such Payment Milestone; (ii) indicating the payment amount associated with such Payment Milestone as set forth on the Milestone Payment Schedule, (iii) attaching thereto the supporting documentation required for such Payment Milestone pursuant to Exhibit 2 evidencing completion of all Work since the prior Payment Milestone up through such Payment Milestone, and (iv) setting forth the amount and description of any state or local sales or use taxes arising out of Supplier's performance hereunder, if any, reimbursable by Buyer to Supplier in accordance with Section 3.2 since the date of the preceding invoice (or, in the case of the first invoice hereunder, since the date of this Agreement). Invoices shall be sent directly to the address of Buyer set forth in Section 18.1 but to the attention of: City of Denton Accounts Payable Department, with a copy to Denton Municipal Electric at the street and email address set forth in Section 18.1. Invoices must be fully documented as to labor, materials, and equipment provided, and must specifically reference this Agreement and Buyer's Purchase Order Number, to be provided by Buyer.

3.4.2 Buyer shall, within twenty (20) days after receipt of any invoice from Supplier pursuant to this Section, determine whether (i) the Payment Milestone covered by the invoice has been met, (ii) the Work performed up to and in respect of such Payment Milestone conforms with the requirements of this Agreement, (iii) the invoice and any required supporting documentation have been properly submitted, and (iv) that the invoice amount reflects the payment due under Exhibit 2. Buyer shall within such twenty (20) day period notify Supplier in writing as to whether it disputes any portion of such invoice and the specific amount so disputed (the "Disputed Amount") together with a description of the reasons for its dispute. Subject to such determination by Buyer and except for any Disputed Amount of any invoice, Buyer shall pay Supplier, within thirty (30) days after receipt of Supplier's invoice, the invoiced amount, minus any Disputed Amount of such invoice.

3.5 Payment. With the exception of the Final Notice to Proceed payment of [REDACTED] from Buyer to Supplier, Buyer shall make all other payments to Supplier in the amount of each invoice conforming and in accordance with Section 3.4 within thirty

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(30) days after receipt of such invoice. All payments to Supplier shall be made by wire transfer of immediately available funds in U.S. Dollars to the account of Supplier at:

For all Payments in USD:
Nordea Bank Finland PLC
New York Branch
437 Madison Avenue
New York, NY 10022
Acct: 7049163001
ABA Number: 026010786

or such other depository as Supplier shall designate by written notice to Buyer. Except as provided in Section 3.4 and Section 8.2, all sums invoiced by the Supplier shall be paid in full by Buyer to Supplier without any set off, counterclaim or deduction in accordance with this Agreement (including its dispute resolution provisions), and are not subject to any settlement discounts or other special terms of payment. Banking charges shall be borne by the Buyer. Payments made beyond the due date shall accrue interest at the Delayed Payment Rate, except no Delayed Payment Rate shall apply to or be payable on any Disputed Amount unless and until it is later finally mutually agreed between the Parties or determined pursuant to Article 19 that such Disputed Amount (or any portion thereof) was improperly withheld, in which case interest shall accrue at the Delayed Payment Rate on such improperly withheld amount from the original date it should have been paid until actual payment is received by Supplier.

3.6 Buyer's Right to Holdbacks.

3.6.1 In addition to the right to withhold Disputed Amounts pursuant to Section 3.4 and Section 3.5, Buyer shall have the right to withhold portions of any payment to the extent it reasonably determines that it is necessary to protect Buyer from loss due to any or all of the following causes:

- (i) Work not in accordance with requirements of this Agreement;
- (ii) Any Payment Milestone has not been timely achieved;
- (iii) Claims filed against Buyer, the Plant or the Project arising from Supplier's actions or inactions in connection with the performance of the Work, other than claims for which Liens have been filed against the Plant or the Project that Supplier has fully bonded;
- (iv) Failure of Supplier to timely make payments to third parties with respect to materials, labor and other obligations incurred as a result of activities covered by this Agreement, unless Supplier has in good faith and reasonably disputed such payments

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and, if any Lien was filed with respect to such disputed payment, posted a bond against such Lien;

(v) Failure of Supplier pay to Buyer any invoiced amount payable to Buyer when due and which is not in dispute in accordance with this Agreement; and

(vi) Damage to Buyer not covered by insurance as a result of Supplier's failure to comply with the terms of this Agreement for which Supplier is required to indemnify Buyer pursuant to this Agreement.

3.6.2 Buyer shall advise Supplier in writing within twenty (20) days after receipt of Supplier's invoice of the amount of any holdback claimed by Buyer against any portion of such invoice and the reason for such holdback pursuant to this Section 3.6. Upon receipt of such notice, Supplier shall promptly take any and all reasonable steps available to remedy the situation which gave rise to such claim. Unless sooner resolved by mutual agreement of the Parties, Buyer may holdback such claimed amount and such matter shall be resolved pursuant to Article 19. Such holdback amount shall not be required to be paid by Buyer unless and until it is later finally determined pursuant to Article 19 that such amount (or any portion thereof) was improperly withheld, in which case interest shall accrue at the Delayed Payment Rate on such improperly withheld amount from the original date it should have been paid until actual payment is received by Supplier.

3.6.3 Lien Waivers. Each progress invoice shall be supported by Supplier's partial waiver of mechanic's liens and all other actual or potential encumbrances and rights of recovery against Buyer for work that has been completed and payment received by Supplier in the form attached hereto as Exhibit 15A and (ii) partial lien waivers in the form attached hereto as Exhibit 15A from each Subcontractor with a scope of work having a total consideration greater than \$1,000,000. Supplier shall execute and deliver to Buyer Supplier's final waiver of liens in the form attached hereto as Exhibit 15B and final waivers of liens (in the form attached hereto as Exhibit 15B) executed by each Subcontractor with a scope of work having a total consideration greater than \$1,000,000.

ARTICLE 4

SCHEDULE: DELAY DAMAGES

4.1 Delivery Schedule. Supplier shall complete Generator Set Deliveries and the Other Equipment Deliveries in accordance with Section 2.2, Exhibit 1, Exhibit 4 and this Article 4.

4.2 Delivery Guarantee Date. Subject to the terms and conditions of this Agreement, Supplier guarantees that Generator Set Delivery and Other Equipment Delivery shall occur by the respective dates set forth in Exhibit 4 hereto so long as Buyer has paid Supplier the Down Payment (the "Equipment Delivery Guarantee Date").

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4.3 Delay Liquidated Damages. The Parties agree that delivering the Equipment and providing the Services in accordance with the Delivery Schedule is important to this Agreement. Supplier shall be liable to Buyer for Delay Liquidated Damages to the extent provided in Exhibit 4 for failure to comply with the commitments set forth in Exhibit 4. Subject to Section 12.1, payment of the Delay Liquidated Damages specified in Exhibit 4 is Supplier's exclusive obligation and Buyer's exclusive remedy for damages incurred by Buyer which arise solely due to Supplier's lateness in meeting its delivery commitments in Exhibit 4 whether said claims are designated as arising in contract, warranty, tort (including negligence), strict liability, indemnity or otherwise. The aggregate total of Delay Liquidated Damages shall not exceed the limitation amount set forth in Section 20.1. Delay Liquidated Damages payable by Supplier shall be included as an offset to amounts payable by Buyer in Supplier's invoice or, to the extent they exceed amounts payable by Buyer, shall be paid by Supplier to Buyer on or before the fifteenth (15th) day of the month following the month in which any delay occurs which gives rise to Delay Liquidated Damages.

ARTICLE 5

TESTS

5.1 Factory Tests. Buyer and its representatives, which may include a recognized inspection service selected by Buyer ("Buyer's Inspector"), shall have the right to witness the Engines' factory tests. The date and time of the inspection and tests shall be communicated to Buyer reasonably in advance, but in no event less than thirty (30) days, to allow Buyer or its representative to attend such factory tests. Testing shall be performed at the factory of Supplier during normal working hours. Supplier shall bear the expenses of such factory tests, but Buyer shall bear the costs (including travel and lodging) of its representatives attending such tests. Buyer's personnel or representatives shall adhere to the safety and security rules in effect at the location where the tests are being conducted.

5.2 Delivery Inspection. Buyer or its contractor shall unload and unpack Equipment from the shipping container(s) of any Other Equipment Delivery at such times as is necessary to meet Project Milestones. Buyer and its representatives may, at Buyer's cost, inspect such Equipment. After such Equipment inspection, Buyer shall give notice to Supplier of any relevant matter which Buyer discovers and considers not to be in accordance with this Agreement. Buyer shall have no right to reject or refuse Equipment in any delivery by reason of minor defects which do not prevent or adversely affect the normal operation or installation of such Equipment, provided that Supplier agrees to remedy such defects in accordance with this Agreement. Acceptance of delivery by Buyer of any item of Equipment or failure of Buyer to identify any defect or non-conformity in Equipment during inspection shall not be deemed to waive any right or

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remedy Buyer may have in connection with warranties and performance guarantees provided by Supplier under this Agreement.

5.3 Installation, Start-Up and Performance Tests.

5.3.1 Mechanical Completion. Provided that Supplier has completed the Generator Set Deliveries for each Engine Hall and Other Equipment Deliveries in accordance with this Agreement, Buyer shall then install the Equipment according to the Project Milestone Schedule. Supplier shall provide technical advice to Buyer during the Equipment's installation. The amount of Supplier's installation advisory days allocated for the Equipment's installation is specifically listed in Annex A. Buyer shall be solely responsible for the proper and timely installation of the equipment in accordance with this Agreement and Annex B and in accordance with Exhibit 16. Once Buyer installs the equipment, Buyer shall notify Supplier with a signed Mechanical Completion Certificate, to be accepted or disputed in writing within two (2) days by Supplier.

5.3.2 Start-Up. Promptly following installation with respect to each Engine Hall pursuant to Section 5.3.1, and Buyer's notification to Supplier that all six (6) Generator Sets have been installed properly in such Engine Hall and are ready for start-up testing (for each Engine Hall, "Mechanical Completion"), Supplier shall perform the Equipment's commissioning and start-up of all six Generator Sets for such Engine Hall to confirm conformance of the Equipment to the Technical Specifications (the "Start-Up"). The Start-Up for both Engine Halls shall be performed in accordance with the Project Milestone Schedule, Prudent Electric Practices and Supplier's commissioning guidelines, including all twelve (12) of the Engines, synchronized to the grid and running on full load for fifteen (15) hours. Supplier reserves the right to stop the Start-Up procedure in order to make the necessary adjustments to the Equipment. Under no circumstance shall Buyer be authorized to carry out the Start-Up without Supplier's supervision. Upon the completion of Start-Up of all Generator Sets, Supplier shall issue a certificate to Buyer indicating that Start-Up is complete (the "Start-Up Certificate").

5.3.3 Additional Services. Supplier's number of man-days allocated to the Start-Up process is specifically set forth in Annex A. Should additional services or man-days be necessary for the Equipment's Start Up due to reasons other than Supplier's breach of its obligations hereunder, Buyer may request, and, subject to Article 9, the Parties may mutually agree upon additional services to be provided by Supplier to Buyer. Notwithstanding the foregoing, Buyer shall not be responsible for paying for additional services or man-days resulting from Supplier's breach of its obligations under this Agreement. Notwithstanding anything to the contrary in this Agreement with respect to title and ownership, all electric power (including test power) generated by the Plant shall be the property of Buyer.

5.3.4 Performance Tests required for Acceptance. Promptly following issuance of the Start-Up Certificate, Performance Tests required for Acceptance shall be conducted on each Generator Set in order to demonstrate the compliance of the Equipment with the applicable Performance Guarantees. Unit Output and Unit Heat Rate Performance Tests shall be required

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for Acceptance, and shall be conducted by Supplier (with Buyer's personnel observing) in accordance with the Final Test Procedure. Buyer's personnel shall act under the supervision and direction of Supplier's technical personnel. Promptly after achieving Acceptance for each Generator Set, Supplier shall certify by written notice to Buyer, the same (with documentation of test results attached thereto) for Buyer's acceptance, which certificate shall be signed by both Parties (the "Acceptance Certificate") and the Primary Warranty Period for that Equipment shall begin. The effective date of the Performance Tests' completion required for Acceptance shall be deemed the day that Supplier successfully completes the applicable Performance Guarantees or meets the Minimum Performance Standards (the "Acceptance Date"). Supplier is required to achieve Acceptance on or prior to sixty (60) days following Mechanical Completion (subject to excused delays expressly permitted under this Agreement).

5.3.5 Performance Tests required for Final Completion. "Final Completion" means, with respect to each Generator Set, the results of such Performance Testing (or re-testing, if needed) demonstrate that (a) emissions testing has been properly evaluated and values are equal to or less than required for Acceptance shall be deemed successfully completed when the Exhaust Emission Guarantees, (b) each Engine has demonstrated the ability to operate at or below an average of [REDACTED] electrical capacity, as measured in kW at the generator terminals during the one hour test, while meeting the Exhaust Emissions Guarantee, (c) the Engines have demonstrated an average Lubricating Oil Consumption of no more than [REDACTED] US gallons per hour per engine, (d) the Engines have demonstrated an average Ammonia Consumption of no more than [REDACTED] pounds of [REDACTED] aqueous ammonia per hour per engine, (e) the Equipment has met the noise guarantee tests, and (f) the Reliability Test has demonstrated that the Project achieves the Reliability Factor Guarantee of [REDACTED], the applicable Performance Guarantees or Minimum Performance Standards have been successfully achieved.

5.3.6 Buyer may begin Commercial Operation after Acceptance provided that, in doing so, Buyer and Supplier coordinate Buyer's Commercial run time (with the intent to run during peak demand hours) and Supplier's Performance Testing time periods (with the intent to make personnel available for and to test during low market demand hours) for such Generator Set to the extent necessary (a) for to carry out Performance Testing to be conducted in accordance with the Final Test Procedure and (b) for all Tests required for Final Completion. Supplier shall complete all Performance Testing on all remaining Generator Sets to achieve Final Completion in accordance with the procedures in Section 5.3.4 for all remaining Generator Sets ("Final Completion") on or prior to the date which is sixty (60) consecutive days after Acceptance (such date, the "Final Completion Deadline Date"), subject to excused delays expressly permitted under this Agreement, including any delay caused by Buyer for failure to allocate sufficient time for Performance Testing after Supplier's prior notice to Buyer of specific time periods during such sixty (60) day period required Performing Testing in accordance with this Section 5.3.5. Subject to the immediately preceding sentence, if Performance Testing and Final Completion on any of such remaining Generator Sets is not completed on or prior to the Final Completion Deadline Date due to Buyer-caused delays, such Generator Sets delayed shall be deemed to have achieved

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Final Completion, and the obligation to conduct the Performance Tests on such Generator Sets shall be deemed waived and Supplier shall have no liability for Performance Liquidated Damages in respect of such Generator Sets, and Buyer shall pay Supplier the remaining milestones under the Milestone Payment Schedule in respect of such Generator Sets, except for the Punchlist addressed in Section 5.3.7.

5.3.7 Punchlist. Promptly, but in no event later than five (5) days following Acceptance. Supplier shall prepare and submit to Buyer a detailed list of items of Work needed to be completed by Supplier under this Agreement (the "Punchlist"). Within ten (10) days of receipt from Supplier, Buyer will review the Punchlist and Supplier shall, at Buyer's request, discuss with Supplier any Punchlist item or items Buyer believes should be included in the Punchlist. Supplier shall use all reasonable efforts to complete the Punchlist items no later than [REDACTED] days after the Parties agree on the Punchlist or, only with respect to items of Punchlist which are subject to dispute. Should Supplier fail to complete the Punchlist within such [REDACTED] period, then Buyer shall have the right to complete any remaining Punchlist items and Supplier shall reimburse Buyer for the direct costs and expenses of completion of such Punchlist work.

5.3.8 Repeat of Performance Tests. For a period of ninety (90) days from Final Completion, Supplier has the right, at its sole cost, to test the Equipment, including the right to re-perform any Performance Test, in accordance with Section 5.3.5, until the Equipment meets the Performance Guarantees or the Minimum Performance Standards. If Supplier re-performs the Performance Tests within the time period permitted under this Agreement, and these Performance Tests demonstrate that the Equipment complies with the Performance Guarantees, the Performance Liquidated Damages previously paid by Supplier shall be refunded by Buyer within ten (10) days of receipt of the successful Performance Test results.

ARTICLE 6

BUYER RESPONSIBILITIES

6.1 Buyer Responsibilities. In order to enable Supplier to perform its obligations under this Agreement, Buyer shall be responsible for the following activities, each to be at Buyer's expense:

6.1.1 Pay the Contract Price in accordance with Milestone Payment Schedule and Article 3 and the terms of this Agreement;

6.1.2 Be responsible for making available space at the Plant Site for Supplier's laydown and storage of the Equipment and Supplier's tools and parts; provided that Supplier shall be responsible for the secure and safe storage of Equipment and such tools and parts in accordance with the Supplier's storage guidelines until such time as risk of loss passes to Buyer pursuant to Article 12;

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6.1.3 Cause Mechanical Completion to occur in accordance with Section 5.3.1.

6.1.4 Not used.

6.1.5 Provide reasonable, safe, and timely access to the Plant to Supplier's personnel for performance of its Work hereunder, including for the Services, Generator Set Delivery and Other Equipment Delivery;

6.1.6 Provide competent and experienced personnel to assist Supplier in conducting the Equipment's commissioning, Start-Up, and Performance Tests in accordance with this Agreement, including personnel who are qualified to operate and maintain the Equipment during Start-Up and conduct of the Performance Tests;

6.1.7 Obtain on a timely basis all Governmental Approvals necessary for the and the construction, commissioning, Start-up, testing and operation of the Plant;

6.1.8 Provide to Supplier such information as is reasonably requested by Supplier in connection with supplier's obtaining all Governmental Approvals for importation and customs clearance of the Equipment;

6.1.9 Enter into all necessary contracts and agreements or as otherwise required for the dispatch of electric power produced during Start-Up and Performance Tests;

6.1.10 Provide fuels, and initial fillings of lubricants, chemicals, water, and other consumables necessary for Start-up and Performance Tests that are set forth in Annex B and Exhibit 8; and

6.1.11 Timely perform its obligations and rights under this Agreement, and not interfere with the Supplier's work.

6.2 Buyer's Representative. Within thirty (30) days after the Effective Date, Buyer shall notify Supplier of the individual designated by Buyer to oversee Buyer's performance under this Agreement and who shall act as the primary point of contact for Buyer with respect to this Agreement.

6.3 Prudent Electric Practices. Buyer shall perform all its obligations in good faith and in accordance with Prudent Electric Practices.

ARTICLE 7 REPRESENTATIONS AND WARRANTIES

7.1 Buyer's Representations and Warranties. Buyer hereby represents and warrants to Supplier that:

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7.1.1 Corporate Matters. Buyer is a home-rule municipal corporation duly organized, validly existing and in good standing under the laws of the State of Texas. Buyer has all the requisite corporate power and authority to conduct its business and to own, lease and operate its properties as presently conducted, owned or leased. Buyer has all requisite legal power and authority to execute and deliver this Agreement, to consummate the transactions contemplated hereby and to perform its obligations hereunder.

7.1.2 Validity of Agreement; No Conflicts. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized and approved by all requisite corporate action on the part of Buyer. This Agreement constitutes a legal, binding and valid obligation of Buyer, enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws from time to time in effect that affect creditors' rights generally and by legal and equity principles relating to the availability of specific remedies. The execution and performance by Buyer of this Agreement, the consummation of the transactions contemplated hereby, and the compliance with the provisions hereof by Buyer will not (a) conflict with, constitute a breach of, or violate any provision of the formation, charter, organizational or governing documents of Buyer or violate in any material respect any Law applicable to it, (b) require Buyer to file or obtain any Governmental Approval with or from any Governmental Unit which has not already been filed or obtained or (c) require any consent under or constitute a breach or default under any material contract to which Buyer is a party or any of its assets, properties or businesses is bound.

7.1.3 No Litigation. There is no action, claim, suit or proceeding by or before any Governmental Unit pending, or to the actual knowledge of Buyer, threatened that seeks to prevent the consummation of, or that would materially adversely affect the ability of Buyer to consummate, the transactions contemplated hereby.

7.2 Representations and Warranties of Supplier.

7.2.1 Corporate Matters. Supplier is a corporation duly organized, validly existing and in good standing under the laws of the State of Maryland. Supplier has all the requisite corporate power and authority to conduct its business and to own, lease and operate its properties as presently conducted, owned or leased. Supplier has all requisite legal power and authority to execute and deliver this Agreement, to consummate the transactions contemplated hereby and to perform its obligations hereunder.

7.2.2 Validity of Agreement; No Conflicts. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized and approved by all requisite corporate action on the part of Supplier. This Agreement constitutes a legal, binding and valid obligation of Supplier, enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws from time to time in effect that affect creditors' rights generally and by legal and equity principles relating to the

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availability of specific remedies. The execution and performance by Supplier of this Agreement, the consummation of the transactions contemplated hereby, and the compliance with the provisions hereof by Supplier will not (a) conflict with, constitute a breach of, or violate any provision of the formation, charter, organizational or governing documents of Supplier or violate in any material respect any Law applicable to it, (b) require Supplier to file or obtain any Governmental Approval with or from any Governmental Unit which has not already been filed or obtained or will be timely obtained or filed (c) require any consent under or constitute a breach or default under any material contract to which Supplier is a party or any of its assets, properties or businesses is bound.

7.2.3 No Litigation. There is no action, claim, suit or proceeding by or before any Governmental Unit pending, or to the actual knowledge of Supplier, threatened that seeks to prevent the consummation of, or that would materially adversely affect the ability of Supplier to consummate, the transactions contemplated hereby.

7.2.4 Expertise and Capability. Supplier has substantial experience and expertise in the engineering, manufacture and supply of reciprocating internal combustion engines such as the Equipment and the capability to carry out its obligations under this Agreement. Supplier acknowledges that Buyer is relying upon such experience, expertise and capability in executing this Agreement. Supplier has the financial resources, personnel, equipment and other resources necessary to perform the Work under this Agreement on a timely basis. Supplier has carefully examined all conditions relevant to the carrying out of the Work under this Agreement (including conditions at locations where its work will be performed and the availability of labor, equipment, materials, supplies and utilities in such locations) and assumes the risk of such conditions or the expense or difficulty of performing its obligations under this Agreement. Information on conditions relevant to Supplier's work furnished by Buyer is not guaranteed and may not be relied upon by Supplier and is for convenience only. Supplier has received the deliverables under Section 6.1.8 and confirms that they conform to the Supplier's technical requirements for the installation and operation of the Equipment as part of the Plant.

7.2.5 Intellectual Property. Supplier has all intellectual property and other rights necessary with respect to the performance of the Work and its use by Buyer and its successors and assigns, and to perform its other obligations hereunder. Neither the performance of the Work nor any use or acceptance of any of them by Buyer or its successors or assigns will violate or infringe upon any patent or other intellectual property right of any person or entity. There is no violation or infringement upon, and Supplier has not taken and will not take any action that would violate or infringe upon, any such patent or other intellectual property right in the manufacture and supply of or performance of the Work as contemplated hereunder.

7.2.6 Supplier Parent. Supplier Parent is the ultimate parent of and Controls Supplier.

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7.2.7 Corporate Documents. Supplier has delivered copies of (a) Supplier's organizational or formation and governing documents and copies of the resolutions of the governing bodies of Supplier authorizing, in the case of Supplier, the execution and delivery of and consummation of the transactions contemplated by this Agreement and (b) (1) good standing certificates of Supplier issued by the Secretary of State of the governing jurisdiction of Supplier and (2) a certificate from the Secretary of State of the State of Texas stating that the Supplier is registered as a foreign entity qualified to do business in the State of Texas and has active status therein, each certificate delivered pursuant to clauses (1) and (2) of this sentence to be as of a recent date not more than fifteen (15) days prior to the Effective Date.

ARTICLE 8 PERFORMANCE GUARANTEES

8.1 Performance Guarantees. Supplier hereby guarantees that the Equipment will comply with each of the Performance Guarantees while operating on the Project Fuel as evidenced during the Performance Tests in accordance with the provisions of Exhibit 8. It is the Parties' clear understanding that the Performance Guarantees are based on the Project Fuel and the design conditions set forth in Exhibit 7 and Annex B.

8.2 Performance Liquidated Damages. If the Equipment fails to meet the Performance Guarantees due to Supplier's breach of its obligations hereunder, Supplier shall pay to Buyer the applicable Performance Liquidated Damages in accordance with the provisions of Exhibit 5. Payment of the Performance Liquidated Damages specified in Exhibit 5 is Supplier's exclusive obligation and Buyer's exclusive remedy for damages incurred by Buyer which arise solely due to the Equipment's failure to meet the Performance Guarantees as set forth in Exhibit 5 (except for Performance Guarantees for which no corresponding specific Performance Liquidated Damages are set forth in Exhibit 5 (the "Must Make Guarantees") whether said claims are designated as arising in contract, warranty, tort (including negligence), strict liability, indemnity or otherwise. The aggregate total of the Performance Liquidated Damages shall not exceed the limitation amount set forth in Section 21.1. The Performance Liquidated Damages payable by Supplier shall be included as an offset to amounts payable by Buyer in Supplier's final invoice or, to the extent they exceed amounts payable by Buyer, shall be paid by Supplier to Buyer within fifteen (15) days of the earlier to occur of completion of or scheduled time for completion of the last Performance Test.

8.3 Must Make Guarantees. Supplier shall at a minimum meet the Must Make Guarantees, none of which are subject to buy-down via liquidated damages.

8.4 Performance Incentive. As provided in Exhibit 5, Buyer shall pay Supplier the applicable performance incentive to further reduce exhaust emissions levels at or below the levels set forth in the Exhaust Emissions Guarantee according to Attachment 2 to Exhibit 5.

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ARTICLE 9

CHANGE ORDERS

9.1 **Change Orders.** If Buyer orders or causes changes to or stoppage of the Work consisting of additions, deletions or other revisions, or if Buyer delays or interferes with Supplier's Work, or if an Event of Force Majeure occurs, Supplier shall be entitled to a written order for the changes (a "**Change Order**"), as applicable, and the Contract Price, Equipment Delivery date, Performance Guarantees, and all other relevant provisions of the Agreement shall be equitably adjusted accordingly to the extent affected by such change; provided, however that Supplier shall provide Buyer with information and other documentation substantiating such impacts to, and include therein specific requested changes to, the Contract Price, the schedule or other delivery and performance guarantees and any other relevant term as soon as reasonably practicable but no later than twenty (20) days after such Buyer order, change, or the occurrence of such Event of Force Majeure. Failure of Supplier to provide such information and make such claim for changes within such time period shall constitute a waiver of any effect of such claimed event and the right to request a Change Order therefor. Adjustments to any price or scheduled date shall reflect only the reasonable and necessary impact, after all reasonable action is taken to minimize such impact. Within five (5) days of receipt of all such information from Supplier, Buyer and Supplier shall meet and, acting reasonably and in good faith, negotiate a mutually acceptable Change Order in accordance with the principles set forth herein. Supplier shall not be obligated to proceed with, any changes or extra work until the price of such change or extra work and its effect on the Equipment Delivery date, and Performance Guarantees has been agreed upon in writing with Buyer in a Change Order. Upon mutual approval of such Change Order, Supplier shall diligently perform the changes contemplated by such Change Order in accordance with this Agreement. Supplier shall not suspend, in whole or in part, performance of this Agreement during any dispute over the scope of the Work or during the review and negotiation of any proposed Change Order unless directed in writing to do so by Buyer, and if so directed, Supplier shall do so without waiving any right with respect to such change or disputed item. Under a Change Order, Supplier shall be entitled to all reasonable and reasonably documented costs and expenses derived therefrom, including:

- (a) the costs required to mitigate the effects of a delay in Supplier's performance which obligates Supplier to mitigate;
- (b) the cost to perform additional Services or procure additional equipment or materials;
- (c) the costs incurred by Supplier in the removal of any Equipment from the Plant Site and in the repatriation of Supplier's and its Subcontractor's personnel;

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(d) any amounts to be paid by Supplier to its Subcontractors in connection with the modification or termination of any subcontract, including any cancellation charges expressly provided for in such subcontracts; and

(e) the standby, demobilization and remobilization costs of Supplier's and Subcontractor's personnel.

9.2 Form of Change Order. Each Change Order shall be in substantially the form set forth in Exhibit 11.

ARTICLE 10

DOCUMENTATION

10.1 Document Deliverables. As part of Supplier's obligations under this Agreement, Supplier shall deliver to Buyer the following:

10.1.1 Ninety (90) days after the Effective Date, Supplier shall deliver to Buyer Supplier's quality assurance and quality control guidelines for the Equipment; and

10.1.2 Ninety (90) days prior to the anticipated date of the Performance Tests, Supplier shall deliver to Buyer three sets of the Equipment's operation & maintenance manuals.

Supplier shall deliver four (4) hard copies of all such drawings, and operation and maintenance manuals in English, along with electronic copies of all of the same on eight (8) USB thumb drive(s). Supplier shall deliver the documentation in accordance with the Document Delivery Schedule in Exhibit 12.

10.2 Delivery of and Rights to Documentation. Subject to the other provisions of this Section, Supplier shall deliver to Buyer, in English, all drawings, technical data, software, manuals, test results, inspection results and descriptions of the Equipment, which are identified in Section 10.1, Annex A or described in Annex B (the "Documentation"). Title to the Documentation and any other drawings or proprietary information provided to Buyer shall remain with Supplier or its Subcontractors, as applicable. With respect to the Documentation, Supplier hereby grants to Buyer (and its successors to ownership of the Project) a non-exclusive royalty free license which permits Buyer and its successors and assigns, subject to Section 21.3, to use such Documentation for the construction, and operation, management and maintenance of the Project in any manner Buyer determines but not for use for any other project or purpose. In the event Buyer uses such Documentation on other projects or for other purposes (with or without Supplier's consent), Buyer shall assume sole responsibility for such use and shall indemnify, defend and hold Supplier harmless from all claims, damages, losses and expenses (including reasonable attorneys' fees) resulting from or arising out of such use. Any illustrations, catalogues, software, drawings and dimensions which are either

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provided by Supplier or are otherwise acquired by Buyer and which relate to the Equipment or Services are for information purposes only and are not to be relied upon by Buyer as containing any representations, warranties or indemnities. The Documentation required to be delivered by Supplier shall also include any non-proprietary software for the control, operations, and monitoring of the Plant and such software shall be in a form that can be re-configured and customized by Buyer as Buyer determines.

10.3 Proprietary Documentation. Performance of this Agreement by Supplier may involve the use or furnishing of Documentation which Supplier considers to be proprietary, subject to Section 10.2. At the time of furnishing any such proprietary Documentation, Supplier will expressly designate by label, stamp, or other written communication that such Documentation is proprietary. Buyer agrees, subject to Section 10.2, (a) to treat such Documentation as confidential and to use all care not to divulge such information to any third party other than for the operation, maintenance, and management of the Project and in furtherance of its business associated with the Project and pursuant to a confidentiality agreement entered into by such party substantially similar to the provisions hereof, (b) to restrict the use of such information to matters relating to Supplier's performance of this Agreement or in furtherance of Buyer's business associated with the Project, and (c) to restrict access to such information to employees of Buyer and its agents whose access is necessary in the implementation of this Agreement or in furtherance of Buyer's business associated with the Project and who agree to be bound by the terms of this Section 10.3. Any such proprietary Documentation not reasonably required by Buyer in connection with its construction, operation or maintenance of the Project shall not be reproduced without Supplier's prior written consent, and all copies of such proprietary Documentation will be returned to Supplier upon request. The restrictions set forth in this Section shall not apply to any Documentation which (i) is contained in a printed publication which was released to the public by Supplier prior to the date of this Agreement, (ii) is, or becomes, publicly known otherwise than through a wrongful act of Buyer, its employees, or agents, (iii) is in the possession of Buyer, its employees, or agents prior to receipt from Supplier, provided that the person or persons providing the same have not had access to the information from Supplier, (iv) is approved in writing by Supplier for disclosure by Buyer, its agents or employees to a third party or (v) Buyer becomes obligated to disclose under applicable Law or court or other judicial ruling; provided that Buyer shall notify Supplier promptly of any such required disclosure and afford reasonable cooperation to Supplier in seeking to contest the ruling or in obtaining protective treatment for the disclosed Documentation.

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ARTICLE 11

WARRANTIES

11.1 Supplier's Warranty. Supplier hereby warrants to Buyer that the Work (a) upon and subject to transfer of title to Buyer under Article 12, will be free from Liens or defects in title, (b) will be free from nonconformities or defects in materials and workmanship, (c) will be free from all defects caused by errors or omissions in engineering and design, as determined by reference to Prudent Electric Practice and the requirements of Article 17, (d) will conform to all requirements of this Agreement. Supplier, at its sole cost, shall promptly repair or, at its discretion, replace any part or component of the Equipment which appears defective during the Primary Warranty Period or, if applicable, Extended Warranty Period as a result of faulty design, materials, and/or workmanship; provided, when required by Supplier, that such part or parts replaced be returned to Supplier, at Supplier's cost, to the place instructed by Supplier. Any warranty claims or requests with respect to Supplier's warranty herein or in Article 17 during the Primary Warranty Period or, if applicable, the Extended Warranty Period (except for claims with respect to title or lien) must be made in writing without unreasonable delay but no later than thirty (30) days after the expiration of the Primary Warranty Period or, if applicable, Extended Warranty Period. Replaced parts and debris and waste created by any repair or replacement work shall become Supplier's property and shall be promptly removed from the Plant Site by Supplier. Supplier shall bear all costs of repairing or replacing the defective parts originally supplied by Supplier, as well as the shipping costs of the defective parts and of the repaired or replacement parts between the Plant Site and the place of repair or replacement as instructed by Supplier. Notwithstanding the foregoing, in the event that Supplier does not diligently proceed within a reasonable period of time to correct work under this subsection, Buyer, after giving written notice to Supplier, shall have the right but not the obligation to perform, or have performed by third parties, the remedy for the non-conforming Work. In such event, the substantiated costs of such remedial work by Buyer shall be borne by Supplier.

11.2 Warranty Period. Subject to the last sentence of this Section 11.2, the warranty set forth in Section 11.1 shall apply for a period commencing on Delivery and ending twelve (12) months after the Acceptance Date or eighteen (18) months after the arrival of the last Generator Sets to the Plant Site, whichever occurs first (the "Primary Warranty Period"). The warranty period with respect to parts which have been repaired or replaced during the Primary Warranty Period shall be six (6) months from the date of repair or replacement or until the expiration of the Primary Warranty Period, whichever occurs later (the "Extended Warranty Period") provided, however, that in no event shall the Extended Warranty Period extend beyond twenty-four (24) months after the Primary Warranty Period began. The Extended Warranty Period applies only to parts or components of the Equipment which are repaired or replaced during the Primary Warranty Period and not to the other parts or components or other items of Equipment.

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The rights of Buyer in respect of warranties set forth in clause (a) of Section 11.1 shall not be subject to any of the limitations of time set forth in this Section 11.2.

11.3 Exclusions from Warranty. Supplier's warranty does not cover any defect due to: (a) materials or components or design provided by Buyer or on behalf of Buyer; (b) negligence of Buyer, its employees or agents or other third parties; (c) use of spare parts other than those supplied by or on behalf of Supplier or specified in Supplier's technical specifications attached hereto; (d) installation or alterations inconsistent with Supplier's technical specifications attached hereto; or (e) parts, accessories or attachments which are not sold, supported or expressly approved in writing by Supplier or set forth in Supplier's technical specifications attached hereto. In particular, Supplier's warranty does not cover any defects that are caused by, the use of unsuitable material or consumables or fuel not in accordance with the Project Fuel, fluctuations in the grid, or maintenance, service or operation of the Equipment or any part thereof which, in each case, are not in conformity with Supplier's or any Subcontractor's manuals, instructions or technical specifications or which is otherwise not in accordance with Prudent Electric Practices.

11.4 Non-Defect Claims. Should Buyer make a warranty claim under the warranty provided by this Agreement, and it is determined that there exists no defect covered by such warranty, Buyer shall reimburse Supplier the actual and documented reasonable costs and expenses of Supplier for any work performed in attempting to remedy such claim, including all costs for conducting the investigation of the alleged defect.

11.5 Limited Warranty. **THE WARRANTIES SET FORTH IN THIS ARTICLE ARE THE ONLY WARRANTIES BY SUPPLIER APPLICABLE TO THE EQUIPMENT AND SERVICES AND ARE EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER WARRANTY EXPRESSED OR IMPLIED AGAINST DEFECTS, LATENT OR OTHERWISE. SUPPLIER NEITHER ASSUMES NOR AUTHORIZES ANY OTHER PERSON TO ASSUME FOR IT ANY OTHER WARRANTY OBLIGATION IN CONNECTION WITH THE EQUIPMENT OR SERVICES OR ANY PART THEREOF.**

ARTICLE 12

TITLE AND RISK OF LOSS

12.1 Transfer of Title. Title to each item of Equipment will pass from Supplier to Buyer, free and clear of any and all Liens, upon complete Generator Set Deliveries for

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each Engine Hall or upon Other Equipment Delivery, as the case may be, and full payment of that portion of the Contract Price due at such time.

12.2 No Liens. To the extent payments have been made as required under this Agreement, title to the Equipment shall pass to Buyer as provided under Section 12.1 free and clear of any Lien of any person or entity, including any person or entity claiming by, through or under Supplier or its Subcontractors, upon the Equipment or the Plant Site. If any such Lien is imposed, Supplier shall respond to such Lien in accordance with Section 16.3.

12.3 Risk of Loss. Supplier shall have full responsibility for the care, custody, control and risk of loss for each item of Equipment through the relevant date of complete Generator Set Delivery for each Engine Hall and through the relevant date of Other Equipment Delivery.

ARTICLE 13

TERMINATION

13.1 Events of Default by Supplier. Supplier shall be in default hereunder upon the occurrence of any one of the following events, which shall be events of default (each an "Event of Supplier Default") if not cured within fourteen (14) days following delivery to Supplier of a notice of such event from Buyer, or, if capable of being cured but not within such fourteen (14) day period, if Supplier has not commenced the cure within such period and does not thereafter diligently pursue and provide to Buyer within such fourteen (14) day period a plan to cure which is satisfactory to Buyer and Supplier cures within the time period set forth in such plan, provided that each of the events described in Section 13.1.1, Section 13.1.2, Section 13.1.4, or Section 13.1.4 below shall be an Event of Supplier Default upon its occurrence:

13.1.1 Unauthorized Assignment. Supplier shall have assigned or transferred this Agreement or any right or interest herein except as expressly permitted by this Agreement or agreed to by Buyer;

13.1.2 Supplier Payment & Performance Bond; Supplier Parent. The issuer of the Supplier Payment & Performance Bond disavows its obligations under the Supplier Payment & Performance Bond, or the Supplier Payment & Performance Bond ceases to be in full force and effect for the duration required under this Agreement, or Supplier Parent ceases to Control or indirectly own Supplier;

13.1.3 Material Default. Supplier shall have breached in any material respect any of its representations or warranties in this Agreement or defaulted in its performance in any material respect under any provision of this Agreement, or the Supplier shall have failed to achieve (a) Generator Set Deliveries for each Engine Hall or the Other Equipment Deliveries by

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the respective deadlines set forth for such Project Milestones in Exhibit 1, or (b) subject to Section 5.3.5, Final Completion and Final Completion Deadline Date;

13.1.4 Payment Default. Supplier shall have failed to pay any invoiced amount payable to Buyer when due and which is not in dispute in accordance with this Agreement and such failure continues for ten (10) days; or

13.1.5 Bankruptcy. Any proceeding shall have been instituted against Supplier seeking to adjudicate Supplier as a bankrupt or insolvent, or Supplier shall have made a general assignment for the benefit of its creditors, or a receiver shall have been appointed on account of the insolvency of Supplier, or Supplier shall have filed a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up or composition or readjustment of debts and, in the case of any such proceeding instituted against Supplier (but not by Supplier), such proceeding shall not have been dismissed within one hundred twenty (120) days of such filing.

13.2 Buyer's Remedies Against Supplier. Without limitation to Buyer's rights to Liquidated Damages under this Agreement or under Article 11, if an Event of Supplier Default shall have occurred and be continuing, Buyer shall have any or all of the following rights and remedies (in addition to and without prejudice to any other right and remedy that may be available to Buyer at law or in equity) and Supplier shall have the following obligations:

13.2.1 Buyer may terminate this Agreement in whole or in part by delivery of a notice of termination to Supplier, and, in case of partial termination, Buyer shall be entitled to an equitable adjustment to this Agreement made in accordance with the principles set forth in Article 9 and Exhibit 13;

13.2.2 Buyer may request that Supplier withdraw from the Plant Site, assign to Buyer such of Supplier's subcontracts as Buyer may request, and Supplier remove such materials, equipment, tools and instruments used by, and any debris and waste materials generated by, Supplier; and

13.2.3 If Buyer elects to terminate this Agreement pursuant to this Section, Supplier shall not be entitled to retain or receive any amounts paid or payable hereunder except for an amount equal to Supplier's documented and actual reasonable costs of any Work of which Buyer has taken possession or received, and Supplier shall be liable to Buyer for all documented and reasonable direct costs in excess of the unpaid balance of the Contract Price incurred by Buyer in obtaining, completing or arranging for such substitute and substantially similar Work, provided, that Buyer shall use commercially reasonable efforts to mitigate such costs and damages described in this Section 13.2.

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13.3 Events of Default by Buyer. Buyer shall be in default hereunder upon the occurrence of any one of the following events, which shall be events of default (each an "Event of Buyer Default") if not cured within fourteen (14) days following delivery to Buyer of a notice of such event from Buyer, or, if capable of being cured but not within such fourteen (14) day period, if Buyer has not commenced the cure within such period and does not thereafter diligently pursue and provide to Supplier within such fourteen (14) day period a plan to cure which is satisfactory to Supplier and Buyer cures within the time period set forth in such plan, provided that each of the events described in Section 13.3.1, Section 13.1.23 or Section 13.3.5, below shall be an Event of Buyer Default upon its occurrence::

13.3.1 Unauthorized Assignment. Buyer shall have assigned or transferred this Agreement or any right or interest herein except as expressly permitted by this Agreement or as agreed to by Supplier in writing;

13.3.2 [not used];

13.3.3 Payment Default. Buyer shall have failed to pay any invoiced amount payable to Supplier when due and which is not in dispute in accordance with this Agreement and such failure continues for ten (10) days;

13.3.4 Material Default. Buyer shall have breached in any material respect any of its representations or warranties in this Agreement or Buyer shall have defaulted in its performance in any material respect under any provision of this Agreement; or

13.3.5 Bankruptcy. A proceeding shall have been instituted against Buyer seeking to adjudicate Buyer as a bankrupt or insolvent, or Buyer shall have made a general assignment for the benefit of its creditors, or a receiver shall have been appointed on account of the insolvency of Buyer, or Buyer shall have filed a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up or composition or readjustment of debts and in the case of any such proceeding instituted against Buyer (but not by Buyer) such proceeding shall not have been dismissed within one hundred twenty (120) days of such filing.

13.4 Supplier Remedies. If an Event of Buyer Default shall have occurred and be continuing, Supplier shall have the right, in addition to any rights and remedies that may be available to Supplier at law or in equity, to promptly terminate this Agreement by delivery of a notice of termination to Buyer. If Supplier elects to terminate this Agreement pursuant to this Section, Buyer shall pay to Supplier within thirty (30) days after receipt of Supplier's invoice therefor, an amount calculated as follows:

(a) The documented costs and expenses to Supplier of items of Work already provided to Buyer pursuant to this Agreement (excluding items that have been previously paid for);

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(b) The documented costs and expenses actually incurred by Supplier in settling Supplier's terminated orders and subcontracts hereunder and the protection of property in which Buyer has or may have an interest;

(c) The documented costs and expenses of other Work performed pursuant to this Agreement prior to the effective date of termination;

(d) The documented costs and expenses of demobilization, equipment storage, transportation, and handling, including reasonable overhead; and

(e) Should Buyer fail to achieve Mechanical Completion within one-hundred twenty (120) days of the corresponding Project Milestone for reasons other than Supplier's delay or breach of its obligations hereunder or an Event of Force Majeure, the obligation to conduct the Performance Tests shall be deemed waived, Supplier shall have no liability for Performance Liquidated Damages, and Buyer shall pay Supplier as liquidated damages the remaining milestones under the Milestone Payment Schedule (which payment shall be Supplier's sole and exclusive remedy in connection with such failure of Buyer);

provided, that Supplier shall use commercially reasonable efforts to mitigate such costs and damages described in this Section 13.4.

Without prejudice to its right to terminate this Agreement in accordance with this Section 13.4, Supplier may suspend performance of its work, including withholding shipment of any Equipment which has not been paid. In such case, the additional documented and reasonable costs and expenses incurred by Supplier due to such suspension shall be reimbursed by Buyer (or satisfactory security for such reimbursement obligation shall be furnished) prior to and as a condition for Supplier's resumption of its work, and the Delivery Schedule shall be adjusted to reflect the delay in performance caused by such suspension as per this Agreement's Change Order provision. Following the date of Supplier's termination, Buyer may complete the Work and any Work completed by Buyer shall be excluded from Supplier's warranties given under this Agreement.

ARTICLE 14

FORCE MAJEURE

14.1 Definition. For purposes of this Agreement, the term "Event of Force Majeure" shall mean any cause or occurrence affecting the ability of a Party to perform its obligations under this Agreement, which cause or occurrence is beyond the reasonable control of the Party affected and not due to an act or omission of the Party affected and which could not have been reasonably foreseen or avoided by the exercise of reasonable diligence, including the following (provided that all of the foregoing elements of this definition are satisfied): acts of God or the public enemy; expropriation or confiscation of

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facilities; trade or economic sanction; sabotage, acts of war (declared or undeclared); blockade; embargo; insurrection; hostilities; civil unrest; riots; military or guerilla action; terrorist activity or threats of terrorist activities which, under the circumstances, would be considered a precursor to actual terrorist activity; banditry; abnormally adverse weather conditions not reasonably anticipated by the Parties (normal bad weather prevailing at any site at which the work is being performed, however, shall not be included); adverse weather conditions on the high seas; tsunamis; earthquakes; fires; floods; explosion; accidents; national or industry-wide riots, strikes, work stoppages, boycotts, walkouts or other labor disturbances; failures in common carrier services or utility services; or any causes, whether or not of the same class or kind as those specifically named above. An "Event of Force Majeure" shall not in any case include (a) a Party's financial inability to perform under this Agreement, or (b) sabotage by any employee, contractor, subcontractor or supplier of the Party claiming the Force Majeure Event.

14.2 Failure to Perform Due to an Event of Force Majeure. Neither Party shall be deemed in breach of this Agreement because of any failure or delay in complying with its obligations under or pursuant to this Agreement to the extent such failure or delay is due to one or more Events of Force Majeure or their effects or by any combination thereof, and the periods allowed for the performance by the Parties of such obligations shall be extended for so long as such events or effects continue. Supplier shall be entitled to an adjustment to the Contract Price, to the extent Supplier incurs additional costs and expenses derived from an Event of Force Majeure. This Agreement shall be amended or a Change Order shall be issued as necessary to reflect the foregoing provision. Notwithstanding the foregoing, either Party may terminate this Agreement if Force Majeure delays a Party's performance for a period greater than six (6) months (in the aggregate). Any such termination shall be treated in the same manner as a termination for Event of Buyer Default in accordance with this Agreement.

14.3 A Party affected by an Event of Force Majeure shall comply with the following:

14.3.1 the affected Party shall promptly give the other Party written notice estimating the event's expected duration and probable impact on the performance of such Party's obligations hereunder, and such affected Party shall continue to furnish timely regular reports with respect thereto during the continuation of the event;

14.3.2 the suspension of performance shall be of no greater scope and of no longer duration than is reasonably required by the Event of Force Majeure; and

14.3.3 the affected Party shall exercise all reasonable efforts to mitigate or limit damages to the other Party, promptly taking appropriate and sufficient corrective action to resume performance of its obligations affected by such Event of Force Majeure.

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14.4 Each Party shall continue to perform its other obligations hereunder not affected by such Event of Force Majeure.

ARTICLE 15

INSURANCE

15.1 Insurance to be Provided by the Parties. Supplier and Buyer shall each obtain and maintain the insurance as specified in Exhibit 6.

ARTICLE 16

INDEMNIFICATION

16.1 General Indemnity. SUPPLIER, ON BEHALF OF ITSELF, ITS SUCCESSORS AND ASSIGNS, AGREES TO THE EXTENT OF ITS RESPONSIBILITY TO DEFEND, INDEMNIFY AND HOLD HARMLESS BUYER AGAINST ANY AND ALL LIABILITY TO OR CLAIMS OF THIRD PARTIES (TOGETHER WITH ALL REASONABLE LEGAL AND INVESTIGATIVE COSTS RELATING THERETO) FOR PHYSICAL INJURY TO OR DEATH OF ANY PERSON(S) AND FOR LOSS OF OR DAMAGE TO ANY TANGIBLE PROPERTY OCCURRING IN CONNECTION WITH THE PERFORMANCE OF OBLIGATIONS OR THE EXERCISE OF RIGHTS HEREUNDER, TO THE EXTENT SUCH INJURY OR DEATH OR LOSS OF OR DAMAGE TO PROPERTY RESULTS FROM THE NEGLIGENT OR WRONGFUL ACTS OF THE INDEMNIFYING PARTY, ITS AGENTS, EMPLOYEES OR CONTRACTORS. NOTWITHSTANDING THE FOREGOING, SUPPLIER SHALL NOT BE REQUIRED TO INDEMNIFY BUYER FOR BUYER'S OWN NEGLIGENCE OR INTENTIONALLY WRONGFUL ACTS.

16.2 Patent Indemnity. Supplier agrees to indemnify, defend and save Buyer harmless from and against any and all claims whatsoever arising from or in any manner related to an infringement of patents or the improper use of other proprietary or other intellectual property rights which may occur in connection with Supplier's or any Subcontractor's performance of the work pursuant to this Agreement, unless such infringement or improper use is at the direction of Buyer. Supplier shall have sole authority for the control of the defense of any and all such claims and any suits brought thereon, and Buyer shall render such assistance as Supplier may reasonably require in connection therewith; provided that in any suit brought on any such claim, Buyer shall

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have the right to be represented by counsel of its own choice and at its own expense. Should any such claim materially impair completion of the Project or continued operations of the Plant by Buyer then Supplier shall, at its own expense, timely procure for Buyer the right to continue the Project work so as not to materially impair the schedule for completion of the Project and/or the right to continue operation of the Plant.

16.3 Lien Indemnity. Supplier shall (i) promptly, but in no event later than fifteen (15) business days, pay or discharge, and discharge of record, or post a bond against, any such claim or Lien for labor, materials, supplies or other charges which, if unpaid, might be or become a Lien upon the Plant Site or the Plant created by Supplier or any of its Subcontractors or employees, and (ii) indemnify and protect Buyer from and against all such claims or Liens that are not paid or discharged. Nothing in this Section shall be construed as limitation on or waiver by Supplier of any of its rights to encumber the Plant Site or the Plant as security for work performed by Supplier or for any payments owed to it by Buyer hereunder.

16.4 Notice. If any party entitled to indemnification hereunder (the "Indemnified Party") intends to seek indemnification under this Article from the other Party (the "Indemnifying Party") with respect to any action or claim, the Indemnified Party shall give the Indemnifying Party notice of such claim or action upon the receipt of actual knowledge or information by the Indemnified Party of any possible claim or of the commencement of such claim or action; provided, however, that the indemnity obligations of the Indemnifying Party shall not be affected unless and to the extent such failure to give notice prejudices the Indemnifying Party. The Indemnifying Party shall have the right to assume the defense of any such claim or action with counsel designated by the Indemnifying Party and reasonably satisfactory to the Indemnified Party; provided, however, that if the defendants in any such action include both the Indemnified Party and the Indemnifying Party, and the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it which are different from or additional to those available to the Indemnifying Party, the Indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate, at its own expense.

16.5 Employees. Neither Party nor its directors, officers, employees, agents, Affiliates or representatives, nor any independent contractor engaged by it in connection with the performance of this Agreement, shall be deemed an employee of the other Party. Buyer shall not bring any claim against the Supplier or its directors, officers, Affiliates, agents, representatives, employees or independent contractors with respect to any liability for compensation under any State or Federal Worker's Compensation Act (or similar laws or programs in the applicable jurisdictions), including, but not limited to, Worker's Compensation and/or employer's liability or similar claims of employees.

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ARTICLE 17

COMPLIANCE WITH LAWS AND STANDARDS AND CODES

17.1 General. Supplier shall at all times comply, and shall assure that the Equipment at the time of Delivery and Services at the time of performance comply in all material respects, with this Agreement, all Laws and Prudent Electric Practices, and with the standards of professional care, skill, diligence and competence normally practiced by leading engineers and construction firms with respect to similar work; provided, however, that Supplier's scope of Services and Equipment are specifically listed in Annexes A, and B. To the extent any Governmental Unit or Governmental Approval, requires additional work or changes to Annexes A or B, the Parties shall negotiate in good faith an adjustment to the Contract Price, Equipment Delivery date, Performance Guarantees, and any other equitable adjustment to the Agreement. The Parties agree that the standards and codes applicable to the design and/or manufacture of the Equipment are as set forth in Annex B. Notwithstanding anything to the contrary, wherever in this Agreement or Appendix the Supplier makes a representation, or has any obligation to ensure, that the Equipment will be in compliance with any law relating to ambient air emissions, effluent emissions or noise or with any Governmental Approval respecting ambient air emissions, effluent emissions or noise, any such representation or obligation shall be deemed satisfied to the extent that the Supplier demonstrates, pursuant to the emissions tests, the Equipment's emissions guarantee is met, as per Exhibit 5. If any other standards or codes are found to be applicable, then they shall be treated in the same manner as a change of Law under Section 17.2.

17.2 Changes in Law. In the event that there is any Change in Law, the Party whose performance under this Agreement is adversely affected by such Change in Law shall reasonably promptly notify the other thereof in writing upon its discovery of such Change in Law. If any such Change in Law increases Buyer's cost in its performance of this Agreement or increases Supplier's cost of producing or supplying the Equipment, delays Supplier's schedule or affects any other provision of this Agreement, Buyer or Supplier, as the case may be, shall use reasonable efforts to mitigate the effects of such Change in Law and be entitled to an adjustment to the Contract Price, Equipment Delivery date, Performance Guarantees, and any other equitable adjustment to the Agreement and shall memorialize any such agreement in an amendment to this Agreement under the same principles and procedures applicable for a Change Order.

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ARTICLE 18

NOTICES AND COMMUNICATIONS

18.1 Notices. Any notice or invoice pursuant to the terms and conditions of this Agreement shall be in writing and either be (a) delivered personally; (b) sent by certified mail, return receipt requested; (c) sent by a recognized overnight mail or courier service with delivery receipt required; or (d) sent by facsimile or email with a confirmation copy sent by courier or certified mail to the corresponding address listed below:

If to Supplier: WÄRTSILÄ NORTH AMERICA, INC.
11710 N. Gessner, Suite A
Houston, Texas 77064
Attn: Kenneth Hägg
Tel. 281.233.6200
Fax 281.233.6233

with a copy to: WÄRTSILÄ NORTH AMERICA, INC.
11710 N. Gessner, Suite A
Houston, Texas 77064
Attn: Gabriela Rivero, Legal Counsel
Tel. 281.233.6200
Fax 281.233.6233

If to Buyer: City of Denton
215 E. McKinney St.
Denton, Texas 76201
Attn: City Attorney
Tel: 940-349-8333
Fax: 940-382-7923

with a copy to: Denton Municipal Electric
1659 Spencer Road
Denton, TX 76205
Attn: Mike Grim, Executive Manager
Tel: 940-349-7565
Fax: 940-349-7334
Email: Mike.Grim@dmepower.com

Either Party may change its address or the party to notify by a notice delivered in accordance with this Section.

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18.2 Effectiveness of Notices. Notices shall be effective when received by the Party to whom addressed.

ARTICLE 19

DISPUTE RESOLUTION; JURISDICTION

19.1 Negotiation of Disputes and Disagreements. Each Party will promptly notify the other in writing of any claim, dispute or controversy arising out of or relating to this Agreement or the breach, termination, or validity thereof ("Dispute") and the Parties will attempt in good faith to promptly resolve such Dispute through negotiation. In the event the Parties are unable to resolve a Dispute within a period of fifteen (15) days from the receipt of a notice of Dispute, each Party shall prepare a written summary of the Dispute describing the issues and claims and exchange its summary with the summary of the other Party. Each Party shall nominate a senior officer of its management, each of whom shall be an executive level individual with irrevocable authority to settle disputes and bind such Party to any resolution of such Dispute. Each Party shall submit the Parties' summaries to its senior officer within ten (10) days after the end of such fifteen (15) day period. Such senior officers of the Parties shall meet at a mutually agreed time and place to attempt in good faith to resolve the Dispute, not later than thirty (30) days after the receipt of the original notice of Dispute. Should a resolution of such a Dispute not be obtained within fifteen (15) days after the date that such senior officers commence meeting, then either Party may by notice to the other submit the dispute to mediation in accordance with the provisions of Section 19.2.

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19.2 Mediation. Any Dispute arising out of or relating to this Agreement or the breach thereof which has not been resolved through negotiation in accordance with the procedures set forth in Section 19.1 shall be submitted to non-binding mediation. The mediation shall be held in Dallas, Texas. The mediation shall be conducted before a single independent mediator mutually agreeable to both Parties with significant experience in mediating disputes arising from commercial contracts for the engineering, supply and construction of electric power plants. If the Parties cannot, after reasonable good faith efforts, select a mediator within ten (10) days of submitting the matter to mediation or if in any case the Parties cannot resolve the Dispute after fifteen (15) consecutive business days of mediation, then either Party may bring any action available at law in court in accordance with Article 19. The Parties shall use commercially reasonable efforts to conclude the mediation as soon as practicable. The decision of the mediator shall be in writing and shall give reasons for the decisions reached by the mediator, but it shall not be binding on the Parties. Prior to commencement of the mediation, the mediator shall be required to enter into a confidentiality agreement to keep the information disclosed during mediation and the occurrence of the mediation confidential.

19.3 Jurisdiction. Each of the Parties expressly irrevocably agrees that any legal action or proceeding with respect to this Agreement or the transactions contemplated hereby shall be brought and determined in U.S. federal court in the Eastern District of Texas and each Party hereby irrevocably submits to the exclusive jurisdiction of such court in respect of any such action or proceeding and waives any defense of *forum non conveniens*, provided, however, that the foregoing shall not limit the rights of either Party to obtain execution or enforcement of judgment in any other jurisdiction. The Parties further agree that, to the extent permitted by Law, a final and unappealable judgment against a Party from any action or proceeding contemplated above in this Section 19.3 shall be conclusive and may be enforced in any other jurisdiction within or outside the United States of America by suit on the judgment, a certified copy of which shall be conclusive evidence of the amount of such judgment. THE PARTIES HERETO AGREE THAT THEY HEREBY IRREVOCABLY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION TO ENFORCE OR INTERPRET THE PROVISIONS OF THIS AGREEMENT.

ARTICLE 20

LIMITATION OF LIABILITY

20.1 Supplier's Maximum Liability. Supplier's maximum aggregate liability to Buyer, Buyer's insurers or permitted assignees, if applicable, pursuant to this Agreement whether arising from tort (including negligence or strict liability), Liquidated Damages (as limited pursuant to Section 21.1), breach of contract (including fundamental breach), breach of warranty, indemnification, or any other cause of action shall not exceed one

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hundred percent (100%) of the Contract Price, except such limitation of liability shall not apply to liability for (a) Supplier's indemnity obligations set forth in Article 16 solely as they relate to claims by third parties or (b) liabilities resulting from the gross negligence, fraud or willful misconduct of Supplier.

20.2 Consequential Damages. Except for Liquidated Damages, in no event, whether as a result of breach of contract, breach of warranty, tort liability (including negligence or strict liability), or otherwise, shall either party be liable to the other for special, indirect, or consequential damages of any nature whatsoever, including losses or damages caused by reason of unavailability of the Equipment, shutdowns or service interruptions, loss of use, loss of profits or revenue, inventory or use charges, cost of purchased or replacement power, interest charges or cost of capital or claims of customers.

ARTICLE 21

MISCELLANEOUS

21.1 Liquidated Damages Not Penalty. The Parties acknowledge and agree that it would be difficult or impossible to determine with absolute precision the amount of damages that would or might be incurred by Buyer as a result of Supplier's failure to perform those matters hereunder for which Liquidated Damages are provided. The Parties agree that the amounts of Liquidated Damages provided under this Agreement are in lieu of actual damages and are the Parties' reasonable estimates of fair compensation for the losses that may reasonably be anticipated from such failures in respect of such matters, and do not constitute a penalty. In no event shall Supplier's liability for Liquidated Damages in the aggregate exceed fifteen percent (15%) of the Contract Price. Nothing in this Agreement with respect to Liquidated Damages and any payment of the same to Buyer shall be construed as limiting or relieving Supplier's (a) obligations generally to achieve its Project Milestones, (b) warranties or performance guarantees granted under this Agreement, or (c) Buyer's remedies upon an Event of Supplier Default pursuant to Section 13.2.

21.2 Independent Contractor Status. Supplier is an independent contractor, and all persons employed by Supplier in connection herewith shall be employees of Supplier and not employees of Buyer in any respect. Nothing contained in this Agreement shall be construed as constituting a joint venture, agency, or partnership between Supplier and Buyer.

21.3 Assignment and Cooperation with Financing Entity. This Agreement may be assigned to other entities only upon the prior written consent of the other Party hereto, not to be unreasonably withheld.

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21.4 Visits to the Plant. Supplier shall have reasonable opportunities, upon at least three (3) days prior notice to and with the consent of Buyer (which consent shall not be unreasonably withheld), to bring visitors to the Plant for promotional purposes.

21.5 Right to Audit. Buyer has the right to audit all of Supplier's records and billings relating to the performance of the Work under this Agreement for compliance with the terms and conditions of the Agreement and/or any state, federal or local law that is applicable to the Project. Supplier agrees to retain records related to the Project for a minimum of five (5) years following completion of the Work. Buyer agrees that it will exercise its right to audit only at reasonable hours. Buyer may review any and all of the Services performed by Supplier under this Agreement. Any payment, settlement, satisfaction, or release made or provided during the course of performance of this Agreement shall be subject to Buyer's rights as may be disclosed by an audit under this section.

21.6 Validity and Enforceability. The invalidity or unenforceability of any portion or provision of this Agreement shall not affect the validity or enforceability of any other portion or provision. Any invalid or unenforceable portion or provision shall be deemed severed from this Agreement, and the balance of the Agreement shall be construed and enforced as if the Agreement did not contain such invalid or unenforceable portion or provision. Notwithstanding the provisions of the preceding sentence, should any term or provision of this Agreement be found invalid by any Governmental Unit having jurisdiction thereof, the Parties shall immediately renegotiate in good faith such term or provision of the Agreement to eliminate such invalidity.

21.7 Governing Law. This Agreement shall be governed by the laws of the State of Texas, without regard to the conflicts of law rules thereof that would apply the laws of another jurisdiction.

21.8 Waiver. The waiver of any breach or failure to enforce any of the terms, covenants or conditions of this Agreement shall not in any way affect, limit, modify or waive the future enforcement of such terms, covenants or conditions.

21.9 Third-Party Beneficiaries. The provisions of this Agreement are intended for the sole benefit of Buyer and Supplier, and there are no third-party beneficiaries, except for the issuer of the Supplier Payment & Performance Bond to the extent expressly required or permitted thereunder.

21.10 Survival. The following provisions shall survive termination of this Agreement: Section 1.2 (Entire Agreement), Section 1.4 (Rules of Interpretation), Sections 2.11 and 7.2.5 (Intellectual Property), Article 8 (Performance Guarantees), Article 11 (Warranties), Article 13 (Termination), Article 14 (Force Majeure), Article 16 (Indemnification), Article 19 (Dispute Resolution), Article 20 (Limitation of Liability), Article 21 (Miscellaneous), and any other provision which expressly states that it survives termination of this Agreement.

21.11 Effectiveness. This Agreement is effective as of the Effective Date after being signed by both Parties.

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21.12 Counterparts. This Agreement may be executed in any number of counterparts and by each of the Parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same Agreement.

21.13 Payments in Dollars. All obligations payable by either Party shall be calculated and paid in United States Dollars.

ARTICLE 22

ANTI-CORRUPTION PRACTICES & EXPORT CONTROL

22.1 The Parties represent and warrant that they and their directors, employees as well as consented assignees, sub-contractors and alike, if any, are familiar with and in connection with the supply and all related actions fully comply with the provisions and spirit of the U.S. Foreign Corrupt Practices Act ("FCPA"), OECD Convention on Combating Bribery of Foreign Officials in International Business Transactions and the Commentaries thereon ("OECD Convention") and the Rules of Conduct to Combat Extortion and Bribery of the International Chamber of Commerce ("ICC Rules") and any applicable law implementing such provisions. Supplier represents and warrants that it is the corporate policy of the Supplier to be in full compliance, and also require full compliance from its partners, subcontractors and other contracting parties with the letter and spirit of the FCPA, OECD Convention, ICC Rules and any applicable laws, including but not limited to local laws against anti-bribery.

22.2 The Parties represent and warrant that they and their directors, employees as well as consented assignees, sub-contractors and other contracting parties related to the project and alike, if any, do not directly or indirectly, (i) offer or give a bribe or demand for such a bribe (ii) kick back any portion of a contract payment to owners directors and/or employees or employees of the other contracting parties or any third party or (iii) utilize other techniques, such as subcontracts, purchase orders or consulting agreements to channel payments or other benefits to government officials, to directors or employees of the Parties or other contracting parties, their relatives or business associates, with the intention to influence or induce the referred owner or director or employee to use his or her influence to assist the Parties or their Supplier in obtaining or retaining business or securing any improper advantage. The Parties acknowledge that such activities may constitute a criminal violation of local laws and regulations punishable by substantial fines and/or imprisonment.

22.3 The Parties represent and warrant that they and their directors, employees as well as consented assignees, sub-contractors and alike, if any, while carrying out its responsibilities under this Contract, will not pay or agree to pay, directly or indirectly, any funds or anything of value to any public official or owner or their directors or

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employees or employee of a company related to the project for the purpose of influencing their acts or decisions.

22.4 The Parties represent and warrant that no part of its compensation is passed on directly or indirectly by the Parties or by their director or employee as a bribe or in any manner whatsoever and whomever in contravention of the letter or spirit of the Rules of Conduct to Combat Extortion and Bribery of the International Chamber of Commerce.

22.5 If the Parties or their director and/or employee directly or indirectly offers, pays, promises, gives or authorizes payment of any money or anything of value to any government, public or political party official or a director or an employee of a party involved in the project for the purpose of influencing the official or director or employee act or decision of such official or director or employee in the course of carrying out this Contract, or is in breach of any of its representations and warranties in this Article 22, the Seller is entitled to terminate this Agreement through a simple notice with an immediate effect. Termination in accordance with this Article 22 carries same consequences as termination for an event of default under Article 13.

22.6 The Equipment and the Supplier's obligations hereunder shall be, subject to all applicable export controls imposed on technology and products by any country or organization or nation, including the United States, United Nations and European Union, whose jurisdiction can be extended to the Supplier, its affiliates or parent company. The Buyer acknowledges that the Equipment and all related technical information, documents and materials may not be re-exported, transhipped, diverted or transferred, directly or indirectly, contrary to such controls.

22.7 The Buyer confirms that the Equipment will be used solely for the intended peaceful purpose. In particular, the Buyer warrants that the Equipment will not be used for purposes associated with any chemical, biological, nuclear weapons or missiles capable of delivering such weapons, or in support of any terrorist activity or any other military end use. Nor will the Equipment or any part thereof be re-sold if it is known or suspected that they are intended to be used for such purposes.

22.8 In the event the Supplier is obliged to stop its work due to Buyer's violation of export control regulations, the Supplier entitled to terminate this Agreement through a simple notice with an immediate effect. Termination in accordance with this Article 22 carries same consequences as termination pursuant to Article 13.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date and the year first above written.

CITY OF DENTON, TEXAS
a Texas municipal corporation

By: _____
Howard Martin
Interim City Manager

ATTEST:
JENNIFER WALTERS, CITY SECRETARY

By: _____

APPROVED AS TO FORM:
ANITA BURGESS, CITY ATTORNEY

By: _____

WÄRTSILÄ NORTH AMERICA, INC.

By: 
Name: Dan Shelledy
Title: Business Development Manager

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Annex A

General Scope of Supply

Section	Description				
A	POWER GENERATION EQUIPMENT				
A1	GENERATING SET				
A1.1	ENGINE				
A1.2	GENERATOR				
A2	MECHANICAL AUXILIARY SYSTEMS				
A2.1	AUXILIARY MODULES				
A2.2	FUEL SYSTEM				
A2.3	LUBRICATING OIL SYSTEM				

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Annex A – General Scope of Supply

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A2.11	PIPE SUPPORTS AND CROSSOVERS				
A5	EMISSION CONTROL SYSTEM				
A5.2	NOx AND CO CONTROL SYSTEM				
A6	ELECTRICAL SYSTEMS				
A6.1	CONTROL SYSTEM				
A6.2	MEDIUM VOLTAGE SYSTEM (13.8 KV)				

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	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
A6.3	LOW VOLTAGE SYSTEM (480V & BELOW)				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
A6.4	DC SYSTEM				
	[REDACTED]				
A6.5	SUBSTATION				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
A6.6	PLANT ELECTRIFICATION AND GROUNDING				
A6.6.1	[REDACTED]				
	[REDACTED]				
	[REDACTED]				

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Annex A – General Scope of Supply

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B3.3	UNDERGROUND NETWORK				
B3.4	LANDSCAPING				
B3.5	PAVING AND SURFACING				
B3.6	SITE ACCESSORIES				
B3.7	SHELTERS AND OTHER STRUCTURES				
C	ENGINEERING				
C2	PROCESS ENGINEERING				
C3	MECHANICAL ENGINEERING				
C4	ELECTRICAL ENGINEERING				
C5	CIVIL ENGINEERING				
C6	DOCUMENTATION				
C6.1	CONCEPTUAL DESIGN DOCUMENTS				
C6.2	BASIC DESIGN DOCUMENTS				

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	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
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D4	SITE TRANSPORT				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
E	TAXES, DUTIES, PERMITS AND INSURANCE				
E1	TAXES AND DUTIES				
	[REDACTED]				
	[REDACTED]				
E2	PERMITS				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
	[REDACTED]				
E3	INSURANCE (AS DEFINED BY CONTRACT TERMS)				

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Annex A – General Scope of Supply

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F	PROJECT MANAGEMENT				
F1	PROJECT MANAGEMENT AT WÄRTSILÄ				
G	CONSTRUCTION MANAGEMENT				
G2	TECHNICAL ASSISTANCE DURING INSTALLATION				
H	TEMPORARY INSTALLATION AND ARRANGEMENTS				
H1	ROADS AND WORKING AREA				
H2	SITE OFFICE AND STAFF ARRANGEMENTS				
H3	UTILITIES				

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H4	WASTE MANAGEMENT DURING CONSTRUCTION				
H5	SECURITY				
H6	SAFETY				
H8	DEMOBILIZATION				
I	LOCAL SUPPLY AND INSTALLATION				
I1	INSTALLATION OF MECHANICAL EQUIPMENT				
I1.1					
I1.2	AUXILIARY MODULES				
I1.3	FUEL SYSTEM				
I1.4	LUBRICATING OIL SYSTEM				

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I1.5	COMPRESSED AIR SYSTEM				
	[REDACTED]				
I1.6	COOLING SYSTEM				
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I1.7	INTAKE AIR SYSTEM				
	[REDACTED]				
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	[REDACTED]				
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I1.8	EXHAUST SYSTEM				
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	[REDACTED]				

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I2.3	MEDIUM VOLTAGE SYSTEM				
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I2.4	HIGH VOLTAGE SYSTEM				
	[REDACTED]				
	[REDACTED]				
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Document creation date: 13 September 2016

I3	INSTALLATION OF CIVIL EQUIPMENT				
I3.1	ENGINE HALL STRUCTURE				
I3.3	ELECTRICAL EQUIPMENT BUILDINGS				
I3.5	ANCILLARY BUILDINGS AND STRUCTURES				
I3.6	GAS SUPPLY STRUCTURES				
I3.7	AMMONIA & LUBE OIL UNLOADING STATION				
I3.9	AMMONIA & LUBE OIL STORAGE TANK STRUCTURES				
I3.10	OUTDOOR AUXILIARY STRUCTURES				

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Project name: Denton Energy Center
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NOTE: Items defined to be supplied by Owner are subject to final design requirements. Therefore some Items may not need to be furnished if final design does not require the Item.

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[illegible]

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NOTE: Items defined to be supplied by Owner are subject to final design requirements. Therefore some Items may not need to be furnished if final design does not require the Item.

[illegible]

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Annex B

Technical Specification

Denton Municipal Electric

Project name: Denton Energy Center

Date: 13 September, 2016

Power generation project

Product type: Stationary power plant

Engine configuration 12 x Wärtsilä 18V50SG

Wärtsilä North America

REDACTED

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 Quotation number: PQ2015-01864A1Ra
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line	code	Material number	Item description	Qty
10	860050	PAAF040961	HYDRAULIC HAND-PUMP LOW PRESSURE	1
20	803004	0084G018900	EXTRACTOR IN TOOL	1
30	831003	0083C013500	BAR FOR LIFTING TOOL	1
40	836001	8680119	TACKLE 1000KG	1
50	836030	0083C013400	TRANSPORT DEVICE	1
60	836041	0083C016500	TRANSPORT DEVICE TO CRANKCASE	1
70	851001	0085B002000	TURNING TOOL FOR MAIN BEARING SHELL	1
80	851020	0085B002100	TURNING TOOL FOR THRUST W.AND BEARING	1
90	861009	0086B003900	DISTANCE SLEEVE FOR HYDRAULIC TOOL M56	2
100	861010	0086B000200	PIN	2
110	861041	0086B047500	LIFTING TOOL FOR HYDR.TIGHTENING TOOL M	1
120	861100	0086B007900	TIGHTENING CYLINDER FOR M56 SCREWS	2
130	836009	0083G008100	LIFTING TOOL FOR CYLINDER LINER	1
140	836033	0083G009500	BRACKET FOR CYL.LINER LIFT. TOOL	1
150	836039	0083G037300	YOKE LIFTING OF CYL.LINER	1
160	836043	0083G036700	TOOL FOR REMOVING ANTIP. RING	1
170	842014	PAAE086328	HONING TOOL FOR DEGLAZING OF CYL. LINER	1
180	847001	0084K007300	MEASURING RAIL FOR CYLINDER BORE	1
190	848012	0084K007400	INSIDE MICROMETER	1
200	803001	0080D002800	EXTRACTOR FOR M42 STUD	1
210	803003	0080D002100	MOUNTING TOOL FOR STUD	1
220	834012	0083H021300	MOUNT./DISMOUNTING TOOL	1
230	836010	0083L001500	ASSEMBLY TRESTLE FOR CONN. ROD LOWER PA	1
240	846008	0083F010400	LOCKING DEVICE FOR BIG END BEARING	2
250	846012	0083F010600	LEVER FOR CONN. ROD LOWER PART	1
260	861027	0086B023200	DISTANCE SLEEVE FOR M42 TIGHTENING TOOL	2
270	861028	0086B001100	PIN FOR TENSIONING TOOL	1
280	861120	0086B017800	HYDR. TIGHTENING TOOL FOR M42 SCREWS	2
290	861142	0086B013200	HYDRAULIC TIGHTEN. TOOL FOR M72X6 SCREW	2
300	800001	8650009	PLIERS FOR RETAINING RINGS ZGJ-5+ ZSJ51	1
310	800002	8650121	PISTON RING PLIERS 460D 15/10-8.2/8	1
320	800106	8650123	SPARE JAWS FOR PLIERS ZGJ-5	1
330	835001	PAAR010572	LIFTING TOOL FOR PISTON	1
340	835002	0083F010900	GUIDE LEVER FOR PISTON INSTALLATION	1
350	835005	0083F016100	PROTECTING SLEEVE FOR CONNECTIG ROD	1
360	835008	0074L020400	LIFTING TOOL FOR PISTON AND CONROD	1
370	836008	PAAE009958	TOOL FOR PISTON INSTALLATION	1
380	843001	PAAR010585	CLAMPING TOOL FOR PISTON RINGS	1
390	845010	0083F027300	ASSEMBLY TOOL FOR PISTON WHEN ANTIPOLIS	1
400	837046	PAAE070299	EXTRACTOR TOOL FOR INJECTION VALVE	1
410	806079	PAAE136931	TOOL SENSOR MOUNTING TOOL. IMES	1
420	832001	0012T117500	LIFTING TOOL FOR W 46 CYLINDER HEAD	1
430	834001	0083E013800	MOUNTING TOOL FOR VALVES	1
440	834045	0083L015300	LIFTING TOOL	1

line	code	Material number	Item description	Qty
450	836031	0084G035600	LIFTING TOOL FOR ROCKER ARMS	1
460	837007	PAAE181674	STARTING AIR SYSTEM TOOLS	1
470	837042	PAAE166294	ACCESSORIES TOOLS FOR STARTING AIR VALVE	1
480	840003	0084B029100	LAPPING TOOL FOR START VALVE	1
490	840007	0084F001602	CLEANING FELT 65/10-4	1
500	840008	0084F001612	CLEANING FELT 55/10*4	1
510	840011	PAAR022239	TOOL FOR PRECHAMBER SEAL. SURF.	1
520	841010	0084B013900	ROUNDING TOOL FOR VALVE GRINDING	1
530	842028	PAAE041647	VALVE SEAT LATHE	1
540	842029	PAAE070032	GRINDING TOOL FOR LINER AND CYL. H	1
590	845001	0083E008100	SPINDLE FOR SEAT RING REMOVAL	1
600	845002	PAAE105401	DISMOUNTING TOOL FOR EXH.VALVE I D165*54	1
610	845004	0083E008200	SPINDLE FOR VALVE GUIDE REMOVAL	1
620	845005	0083E008300	BED FOR TENSION CYLINDER	1
630	845006	PAAE105532	ASSEMBLING TOOL FOR EXH.VALVE INSERT	1
640	845012	0083E009200	ASSEMBLING TOOL FOR INL.VALVE INSERT	1
650	845031	0083E014500	FLANGE FOR REMOVING TOOL	1
660	848001	0084K005000	VALVE CLEARANCE FEELER	1
670	848021	0084H012500	PRESSURE TEST DEVICE	1
680	860175	4612T000300	HYDRAULIC PUMP WITH EQUIPMENT	1
690	860179	0086A010100	HYDRAULIC HOSE L=4000	3
700	860180	0086A010000	HYDRAULIC HOSE L=1000	3
710	861146	0086B008600	PIN FOR HYDRAULIC TOOL	1
720	861209	PAAE152345	HYDRAULIC TIGHTENING TOOL FOR M90*6 SCR+	4
730	834010	0083H011800	TOOL F. CAMSHAFT BEARING	1
740	834053	0084G029200	LOCKING DEVICE FOR CAMSHAFT	1
750	845013	0084G068600	LOCKING BAR	2
760	845014	0084G068500	LOCKING BAR	1
770	845020	0084G036600	MOUNTING TOOL FOR CAMSHAFT	1
780	834050	0083E006800	HYDRAULIC PULL RAM	1
790	834008	4683T000600	SEALING SET HYDR. TENSION CYLINDER	1
800	836046	4683C000600	LIFTING TOOL FOR OIL PUMPS	1
810	836054	4683C000500	LIFTING TOOL FOR WATER PUMPS	1
820	836065	PAAR018440	LIFTING TOOL	1
830	865010	PAAE056684	SERVICE TOOLS FOR ABB TPL76C	1
840	846016	PAAE170540	TOOLBOX FOR SCHALLER PLUS SERIES OMD	1
850	387022	3870107	CONTACT TREATMENT GR SGB020 2X/20ML/35G	1
860	846210	0050T002106	EXTRACTION TOOL FOR CA, SIZE 10	1
870	846215	0050T002104	INSERTION TOOL FOR CA, SIZE 10	1
880	846622	PAAE190646	TOOL CRIMPING PLIER, RENNSTEIG	1
890	846623	PAAE010981	TOOL STRIPPER 45-164	1
900	846624	PAAE010982	TOOL STRIPPER 45-165	1
910	848112	8610054	WECS2000 MULTITESTER	1
920	848113	0050T002001	SPEED SIMULATOR	1
930	866001	7370318	WECSPLORER UNIC/WECS SOFTWARE TOOL	1
940	866004	0050T004001	CABLE CAN TO PC CABLE 'NORMAL' USE	1
950	866012	0050E040901	INDICATOR STROBO TIMING LIGHT	1

line	code	Material number	Item description	Qty
960	866016	PAAE081919	CABLE KVASER LEAF PRO. HS CAN TO USB	1
970	861160	4683T000200	SEALING SET HYDR. TOOL FOR M90X6	1
980	861159	4683T000300	SEALING SET HYDR. TOOL FOR M72X6	1
990	861158	4683T000400	SEALING SET HYDR. TOOL FOR M56	1
1000	861157	4683T000500	SEALING SET HYDR. TOOL FOR M42	1
1010	837001	0083H021000	EXTRACTOR WD-200	1
1020	846030	0084G048600	MOUNTING TOOL WD-200	1
1030	846031	0084G048700	MOUNTING TOOL WD-200	1
1040	837005	0083H020800	EXTRACTOR FOR WATER PUMP IMPELLER WD-125	1
1050	846002	0084G044200	MOUNTING TOOL FOR WATER PUMP BEAR WD-125	1
1060	846003	0084G044300	MOUNTING TOOL FOR WATER PUMP BEAR WD-125	1
1070	846004	0084G044400	MOUNTING TOOL FOR WATER PUMP SEAL WD-125	1
1080	820008	8640269	TORQUE WRENCH 730R/20	1
1090	820009	8640275	TORQUE WRENCH 721/80 150-800	1
1100	820013	8640333	TORQUE WRENCH 730R/5	1
1110	831002	4470011	LIFTING EYE BOLT	2
1120	831005	4470007	LIFTING EYE BOLT M10	2
1130	831006	4470010	LIFTING EYE BOLT	2
1140	833002	9160003	SHACKLE A0.4 ZN A0.4	2
1150	833003	9160004	SHACKLE A0.6	2
1160	833004	9160006	SHACKLE A1.6 ZN A1.6	2
1170	833005	5510014	ROUNDSLING 1T/1.5M	2
1180	837038	0083H011500	UNIVERSAL EXTRACTOR	1
1190	837039	0080D002400	EXTRACTOR FOR M20 STUD	1
1200	846100	0084G038000	GUIDING MANDREL FOR HT-PIPE SEAL 157/167	1
1210	848020	PAAE009675	TESTING DEVICE FOR EXHAUST VALVE	1
1220	848051	0084K007200	PRESSURE DIFF. INDICATOR	1
1230	848111	0084K005800	DEFLECTION INDICATOR DI-5	1
1240	860170	5410199	AIR OPER. HYDRAUL. PRESSURE UNIT	1
1250		0092K026500	HAND TOOLS	1
1260		PAAE109429	SOFTWARE ENGINE SPECIFIC CONFIGURATION	7
1270	820014	PAAR022652	SPARK PLUG SOCKET	1
1280	845003	PAAE105596	DISMOUNTING TOOL FOR INLET VALVE INSERT	1
1290	846032	PAAE173305	MOUNTING TOOL FOR EXHAUST BELOW FOR 50	1



Activity Name	Original Duration	Start	Finish	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Denton Energy Center - Expedited																	
Project Milestones																	
City of Denton																	
A1726 Initial Notice to Proceed	0	24-Aug-16	24-Aug-16														
A1727 Building Layout Review Workshop & Approval	0	25-Aug-16	25-Aug-16														
A1728 Final Notice to Proceed	0	25-Aug-16	25-Aug-16														
A1729 Denton / TWP Prelim. Site Work (Access Rd. Plant Site to Grade, Prep. for Piers) Complete	0	13-Jun-17	13-Jun-17														
A1730 Natural Gas Pipeline and Metering Station Construction Complete	0	03-Apr-17	03-Apr-17														
A1731 Substation Ready for Backfeed of GSU	0	28-Sep-17	28-Sep-17														
Wardle North America																	
A1732 Engine Design Provided - Preliminary	0	22-Sep-16	22-Sep-16														
A1733 Engine Design Provided - Basic	0	20-Oct-16	20-Oct-16														
A1734 Engine Design Provided - Radiators/Silencers/SCR Final Weights & Sizes	0	07-Oct-16	07-Oct-16														
A1735 Delivered to Site - Engine Auxiliaries - Radiators & Silencers	0	01-May-17	01-May-17														
A1736 Delivered to Site - Engine Auxiliaries - Pipe Rack / EAM / EGM Steel	0	25-Jul-17	25-Jul-17														
A1737 Delivered to Site - Engine Auxiliaries - SCRs & Balance of Equipment	0	05-Oct-17	05-Oct-17														
A1738 Engine Hall 1 - Engine Generator Setting Complete	0	30-Jun-18	30-Jun-18														
A1739 Engine Hall 2 - Engine Generator Setting Complete	0	01-May-17	01-May-17														
A1740 Acceptance	0	01-May-17	01-May-17														
BM&D																	
A1741 Engine Laydown Area Site Prep Complete	0	01-May-17	01-May-17														
A1742 Engine Hall 1 Foundation Ready for Engine Generator Setting	0	31-Sep-17	31-Sep-17														
A1743 Engine Hall 2 Foundation Ready for Engine Generator Setting	0	20-Sep-17	20-Sep-17														
A1744 Construction Mechanical Completion	0	27-Apr-18	27-Apr-18														
City of Denton																	
A1745 Electrical Design and Permitting-Switch/Substation	163	11-Jul-16	11-Jul-16														
A1746 Natural Gas Pipeline and Metering Station Design & Construction	186	11-Jul-16	11-Jul-16														
A1747 Issuance of TCEQ Air Permit	0	11-Jul-16	11-Jul-16														
A1748 Building Layout Review Workshop & Approval	1	25-Aug-16	25-Aug-16														
A1749 Electrical Construction - Substation	163	23-Sep-16	23-Sep-16														
A1750 Denton / TWP Prelim. Site Work (Access Rd. Plant Site to Grade, Prep. for Piers)	49	15-Nov-15	15-Nov-15														
A1751 Substation Ready for Backfeed of GSU	0	28-Sep-17	28-Sep-17														
Design-Build Contractor Selection																	
A1752 Initial Notice to Proceed	0	24-Aug-16	24-Aug-16														
A1753 Final Notice to Proceed	0	24-Aug-16	24-Aug-16														
OEM RICE Engine Supplier																	
A1754 OEM Engine Supplier - Notice to Proceed	239	25-Aug-16	25-Aug-16														
A1755 Engines - Manufacture & Delivered to Site	195	25-Aug-16	25-Aug-16														
A1756 Engine Design Provided - Preliminary	0	22-Sep-16	22-Sep-16														
A1757 Engine Design Provided - Basic	0	20-Oct-16	20-Oct-16														
A1758 Engine Design Provided - Radiators/Silencers/SCR Final Weights & Sizes	0	07-Dec-16	07-Dec-16														
A1759 Engine Design Provided - Details	0	15-Dec-16	15-Dec-16														
A1760 Engine Auxiliaries - Radiators & Silencers - Manufacture & Deliver	55	01-May-17	01-May-17														
A1761 Engine Auxiliaries - Pipe Rack / EAM / EGM Steel - Manufacture & Deliver	121	15-Dec-16	15-Dec-16														
A1762 Engine Auxiliaries - SCRs & Balance of Equipment - Manufacture & Deliver	155	15-Dec-16	15-Dec-16														

Report Date & Time: 25-Aug-16 12:40
Data Date: 11-Jul-16

Report Date & Time: 25-Aug-16 12:40
Data Date: 11-Jul-16

EXHIBIT 2 – Milestone Payment Schedule

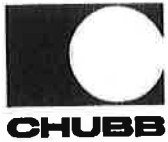
Time to Complete Payment Milestone	Payment Milestone	Milestone Payment ¹	Required Actions and Document(s) for Payment Milestone
On or prior to September 23, 2016	Final Notice to Proceed ("FNTTP")	■	Payment
On or prior to 90 days after FNTTP	Purchase of major equipment (generators, radiators, control system)	■	Copy of unpriced purchase orders
Estimated 210 days after FNTTP	All 12 engine Production Conformity Tests	■	Production Conformity Test Certificate at factory in Trieste, Italy.
Estimated 270 days after FNTTP	Engines ready to ship from factory	■	Packing lists with Engine serial numbers
Estimated 290 days after FNTTP	Other Equipment Delivery (Activity Code A1850, A1860 and A1870)	■	Buyer confirmation of packing list
Estimated 310 days after FNTTP	Engines unloaded at Port of Houston	■	Surveyor's inspection report
Estimated 340 days after FNTTP	Delivery of Gensets to foundation (all six for Engine Hall 1 (Activity Code A1880))	■	Buyer visual verification
Estimated 360 days after FNTTP	Delivery of Gensets to foundation (all six for Engine Hall 2 (Activity Code A1890))	■	Buyer visual verification
Estimated 560 days after FNTTP	Mechanical Completion (Activity Code A1900)	■	Buyer notification that Mechanical Completion has occurred.
Estimated 40 days after Mechanical Completion	Startup [All generator sets]	■	Startup certificate.
On or before 60 days after Mechanical Completion	Acceptance of each generator set	■	Acceptance certificate
On or before 120 days after Acceptance	Punchlist items	■	Completion of Punchlist items

¹ Dollar amount of each Milestone Payment equals the relevant percentage in this column multiplied by the Contract Price as in effect at the Effective Date.

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EXHIBIT 3 – Form of Payment and Performance Bond

This document and any attachments thereto may contain information that is confidential, commercially-sensitive, proprietary, and/or public power utility competitive and financial information in accordance with the provisions of Texas Government Code, Section 552.101, 552.104, 552.110 and/or 552.133, and may be protected from required public disclosure.



CHUBB GROUP OF INSURANCE COMPANIES

Surety Department, 15 Mountain View Road, P.O. Box 1615, Warren, NJ 07061-1615

Phone: (908) 903-3485

Facsimile: (908) 903-3656

AIA DOCUMENT A312™ - 2010 PERFORMANCE BOND

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONTRACTOR

(Name, legal status and address):

WÄRTSILÄ NORTH AMERICA, INC., a corporation organized and existing under the laws of the State of Maryland, with offices located at 11710 North Gessner Road, Suite A, Houston, Texas 77064

SURETY *(Name and principal place of business):*

**Federal Insurance Company
15 Mountain View Road
Warren, N.J. 07059**

OWNER

(Name, legal status and address):

CITY OF DENTON, a home-rule municipal corporation organized and existing under the laws of the State of Texas, with offices located at 215 E. McKinney St., Denton, Texas 76201

CONSTRUCTION CONTRACT

Date: 09/13/2016

Amount: 100% of the Contract Price

Description *(Name and location):*

An approximately 225 MW gross nameplate capacity natural gas-fired electric power generation project (the "Project") to be located in Denton, Texas, United States

BOND

Date *(Not earlier than Construction Contract Date):* September 13, 2016

Amount: 100% of the Contract Price

Modifications to this Bond:

☒ None

☐ See Section 16

CONTRACTOR AS PRINCIPAL

Company: _____ *(Corporate Seal)*

SURETY

Company: _____ *(Corporate Seal)*
Federal Insurance Company

Signature: _____
Name and Title: Dan Shelledy, BDM

Signature: _____
Attorney-in-Fact Name: _____

(Any additional signatures appear on the last page of this Performance Bond.)

(FOR INFORMATION ONLY — Name, address and telephone)

AGENT or BROKER:

OWNER'S REPRESENTATIVE *(Architect, Engineer or other party):*

- 1 The Contractor and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Construction Contract, which is incorporated herein by reference.
- 2 If the Contractor performs the Construction Contract, the Surety and the Contractor shall have no obligation under this Bond, except when applicable to participate in a conference as provided in Section 3.
- 3 If there is no Owner Default under the Construction Contract, the Surety's obligation under this Bond shall arise after:
 - .1 the Owner first provides notice to the Contractor and the Surety that the Owner is considering declaring a Contractor Default. Such notice shall indicate whether the Owner is requesting a conference among the Owner, Contractor and Surety to discuss the Contractor's performance. If the Owner does not request a conference, the Surety may, within five (5) business days after receipt of the Owner's notice, request such a conference. If the Surety timely requests a conference, the Owner shall attend. Unless the Owner agrees otherwise, any conference requested under this Section 3.1 shall be held within ten (10) business days of the Surety's receipt of the Owner's notice. If the Owner, the Contractor and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Construction Contract, but such an agreement shall not waive the Owner's right, if any, subsequently to declare a Contractor Default;
 - .2 the Owner declares a Contractor Default, terminates the Construction Contract and notifies the Surety; and
 - .3 the Owner has agreed to pay the Balance of the Contract Price in accordance with the terms of the Construction Contract to the Surety or to a contractor selected to perform the Construction Contract.
- 4 Failure on the part of the Owner to comply with the notice requirement in Section 3.1 shall not constitute a failure to comply with a condition precedent to the Surety's obligations, or release the Surety from its obligations, except to the extent the Surety demonstrates actual prejudice.
- 5 When the Owner has satisfied the conditions of Section 3, the Surety shall promptly and at the Surety's expense take one of the following actions:
 - 5.1 Arrange for the Contractor, with consent of the Owner, to perform and complete the Construction Contract;
 - 5.2 Undertake to perform and complete the Construction Contract itself, through its agents or independent contractors;
 - 5.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and a contractor selected with the Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Section 7 in excess of the Balance of the Contract Price incurred by the Owner as a result of Contractor Default; or
 - 5.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances:
 - .1 After investigation, determine the amount for which it may be liable to the Owner and, as soon as practicable after the amount is determined, make payment to the Owner; or
 - .2 Deny liability in whole or in part and notify the Owner, citing the reasons for denial.
- 6 If the Surety does not proceed as provided in Section 5 with reasonable promptness, the Surety shall be deemed to be in default on this Bond seven days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Section 5.4, and the Owner refuses the payment or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.
- 7 If the Surety elects to act under Section 5.1, 5.2 or 5.3, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Construction Contract. Subject to commitment by the Owner to pay the Balance of the Contract Price, the Surety is obligated, without duplication, for
 - .1 the responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;
 - .2 additional legal, design professional and delay costs resulting from the Contractor's Default, and resulting from the actions or failure to act of the Surety under Section 5; and
 - .3 liquidated damages, or if no liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor.

8 If the Surety elects to act under Section 5.1, 5.3 or 5.4, the Surety's liability is limited to the amount of this Bond.

9 The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Construction Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the Owner or its heirs, executors, administrators successors and assigns.

10 The surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

11 Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after a declaration of Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

12 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears.

13 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirements shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

14 DEFINITIONS

14.1 **Balance of the Contract Price:** The total amount payable by the Owner to the Contractor under the Construction Contract after all proper adjustments have been made, including allowance to the Contractor of any amounts received or to be received by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Construction Contract.

14.2 **Construction Contract:** The agreement between the Owner and the Contractor identified on the cover page, including all Contract Documents and changes made to the agreement and the Contract Documents.

14.3 **Contractor Default:** Failure of the Contractor, which has not been remedied nor waived, to perform or otherwise to comply with the term of the Construction Contract.

14.4 **Owner Default:** Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.

14.5 **Contract Documents:** All the documents that comprise the agreement between the Owner and Contractor.

15 If this Bond is issued for an agreement between a Contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

16 MODIFICATIONS TO THIS BOND ARE AS FOLLOWS:

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL

Company: _____ (Corporate Seal)

SURETY

Company: _____ (Corporate Seal)

Signature: _____

Name and Title: Dan Shelledy, BDM

Address: WÄRTSILÄ NORTH AMERICA, INC.,
11710 North Gessner Road, Suite A
Houston, Texas 77064

Signature: _____

Name and Title:

Address:



CHUBB GROUP OF INSURANCE COMPANIES

Surety Department, 15 Mountain View Road, P.O. Box 1615, Warren, NJ 07061-1615

Phone: (908) 903-3485

Facsimile: (908) 903-3656

AIA DOCUMENT A312™ - 2010

PAYMENT BOND

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONTRACTOR

(Name, legal status and address):

WÄRTSILÄ NORTH AMERICA, INC., a corporation organized and existing under the laws of the State of Maryland, with offices located at 11710 North Gessner Road, Suite A, Houston, Texas 77064

SURETY *(Name, legal status and principal place of business):*

**Federal Insurance Company
15 Mountain View Road
Warren, N.J. 07059**

OWNER

(Name, legal status and address):

CITY OF DENTON, a home-rule municipal corporation organized and existing under the laws of the State of Texas, with offices located at 215 E. McKinney St., Denton, Texas 76201

CONSTRUCTION CONTRACT

Date: 09/13/20

Amount: 100% of the Contract Price

Description *(Name and location):*

An approximately 225 MW gross nameplate capacity natural gas-fired electric power generation project (the "Project") to be located in Denton, Texas, United States.

BOND

Date *(Not earlier than Construction Contract Date)*: September 13, 2016

Amount: 100% of the Contract Price

Modifications to this Bond:

☒ None

☐ See Section 18

CONTRACTOR AS PRINCIPAL

Company: _____ *(Corporate Seal)*

SURETY

Company: _____ *(Corporate Seal)*
Federal Insurance Company

Signature: _____

Name and Title: Dan Shelledy, BDM

Signature: _____

Attorney-in-Fact Name:

(Any additional signatures appear on the last page of this Payment Bond)

(FOR INFORMATION ONLY — Name, address and telephone)

AGENT or BROKER:

OWNER'S REPRESENTATIVE *(Architect, Engineer or other party):*

1 The Contractor and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner to pay for labor, materials and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference, subject to the following terms.

2 If the Contractor promptly makes payment of all sums due to Claimants, and defends, indemnifies and holds harmless the Owner from claims, demands, liens or suits by any person or entity seeking payment for labor, materials or equipment furnished for use in the performance of the Construction Contract, then the Surety and the Contractor shall have no obligation under this Bond.

3 If there is no Owner Default under the Construction Contract, the Surety's obligation to the Owner under this Bond shall arise after the Owner has promptly notified the Contractor and the Surety (at the address described in Section 13) of claims, demands, liens or suits against the Owner or the Owner's property by any person or entity seeking payment for labor, materials or equipment furnished for use in the performance of the Construction Contract and tendered defense of such claims, demands, liens or suits to the Contractor and the Surety.

4 When the Owner has satisfied the conditions in Section 3, the Surety shall promptly and at the Surety's expense defend, indemnify and hold harmless the Owner against a duly tendered claim, demand, lien or suit.

5 The Surety's obligations to a Claimant under this Bond shall arise after the following:

5.1 Claimants, who do not have a direct contract with the Contractor,

.1 have furnished a written notice of non-payment to the Contractor, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were, or equipment was, furnished or supplied or for whom the labor was done or performed, within ninety (90) days after having last performed labor or last furnished materials or equipment included in the Claim; and

.2 have sent a Claim to the Surety (at the address described in Section 13).

5.2 Claimants, who are employed by or have a direct contract with the Contractor, have sent a Claim to the Surety (at the address described in Section 13).

6 If a notice of non-payment required by Section 5.1.1 is given by the Owner to the Contractor, that is sufficient to satisfy a Claimant's obligation to furnish a written notice of non-payment under Section 5.1.1.

7 When a Claimant has satisfied the conditions of Sections 5.1 or 5.2, whichever is applicable, the Surety shall promptly and at the Surety's expense take the following actions:

7.1 Send an answer to the Claimant, with a copy to the Owner, within sixty (60) days after receipt of the Claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed; and

7.2 Pay or arrange for payment of any undisputed amounts.

7.3 The Surety's failure to discharge its obligations under Section 7.1 or Section 7.2 shall not be deemed to constitute a waiver of defenses the Surety or Contractor may have or acquire as to a Claim, except as to undisputed amounts for which the Surety and Claimant have reached agreement. If, however, the Surety fails to discharge its obligations under Section 7.1 or Section 7.2, the Surety shall indemnify the Claimant for the reasonable attorney's fees the Claimant incurs thereafter to recover any sums found to be due and owing the Claimant.

8 The Surety's total obligation shall not exceed the amount of this Bond, plus the amount of reasonable attorney's fees provided under Section 7.3, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.

9 Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any construction performance bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and the Surety under this Bond, subject to the Owner's priority to use the funds for the completion of the work.

10 The Surety shall not be liable to the Owner, Claimants or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for the payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligations to make payments to, or give notice on behalf of, Claimants or otherwise have any obligations to Claimants under this Bond.

11 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

12 No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the state in which the project that is subject of the Construction Contract is located or after the expiration of one year from the date (1) on which the Claimant sent a Claim to the Surety pursuant to Section 5.1.2 or 5.2, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

13 Notice and Claims to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the page which their signature appears. Actual receipt of notice or Claims, however accomplished, shall be sufficient compliance as of the date received.

14 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

15 Upon request by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor and Owner shall promptly furnish a copy of this Bond or shall permit a copy to be made.

16 DEFINITIONS

16.1 Claim. A written statement by the Claimant including at a minimum:

- .1 the name of the Claimant;
- .2 the name of the person for whom the labor was done, or materials or equipment furnished;
- .3 a copy of the agreement or purchase order pursuant to which labor, materials or equipment was furnished for use in the performance of the Construction Contract;
- .4 a brief description of the labor, materials or equipment furnished;
- .5 the date on which the Claimant last performed labor or last furnished materials or equipment for use in the performance of the Construction Contract;
- .6 the total amount earned by the Claimant for labor, materials or equipment furnished as of the date of the Claim;
- .7 the total amount of previous payments received by the Claimant; and,
- .8 the total amount due and unpaid to the Claimant for labor, materials or equipment furnished as of the date of the Claim.

16.2 Claimant: An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials, or equipment for use in the performance of the Construction Contract. The term Claimant also includes any individual or entity that has rightfully asserted a claim under an applicable mechanic's lien or similar statute against the real property upon which the Project is located. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas power, light, heat, oil gasoline, telephone service or rental equipment used in the Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials or equipment were furnished.

16.3 Construction Contract: The agreement between the Owner and the Contractor identified on the cover page, including all Contract Documents and all changes made to the agreement and the Contract Documents.

16.4 Owner Default: Failure of the Owner, which has neither been remedied nor waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.

16.5 Contract Documents. All the documents that comprise the agreement between the Owner and Contractor.

17 If this Bond is issued for an agreement between a Contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

18 MODIFICATIONS TO THIS BOND ARE AS FOLLOWS:

18.1 "Claim notices for FEDERAL INSURANCE COMPANY must be sent to the following address: Chubb Group of Insurance Companies, 600 Independence Parkway, Chesapeake, Virginia 23327, Attention: Surety Support Team."

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTORS AS PRINCIPAL

SURETY

Company: _____ (Corporate Seal)

Company: _____ (Corporate Seal)

Signature: _____

Name and Title: Dan Shelledy, BDM

Address:

WÄRTSILÄ NORTH AMERICA, INC.,
11710 North Gessner Road, Suite A
Houston, Texas 77064

Signature: _____

Name and Title:

Address:

EXHIBIT 4-Delivery Schedule; Delivery Liquidated Damages

I. ENGINE DELIVERY GUARANTEE

Supplier (1) guarantees Documentation delivery as set forth below and (2) guarantees Generator Set Deliveries for all six Generator Sets in Engine Hall 1 on or prior to the date set forth in the Project Milestone Schedule for Project Milestone with Activity Code A1880 and (3) guarantees Generator Set Deliveries for all six Generator Sets in Engine Hall 2 on or prior to the date set forth in the Project Milestone Schedule for Project Milestone with Activity Code A1890, and (4) Other Equipment Deliveries on or prior to the respective deadlines for completion of the Project Milestones with Activity Code A1850, A1860, A1870 as set forth in the Project Milestone Schedule.

II. DELAY LIQUIDATED DAMAGES

Requirement	Liquidated Damages	Cap (as % of Contract price)
Late Delivery – Documentation submittals	\$ [REDACTED]	[REDACTED]
Late Delivery – auxiliary equipment	\$ [REDACTED]	[REDACTED]
Late Acceptance	\$ [REDACTED]	[REDACTED]

III. APPLICATION AND PRORATION OF LIQUIDATED DAMAGES

Auxiliary delivery Liquidated Damages to apply to the following equipment, and prorated for the number of modules late:

- Radiators
- EAM (Engine Auxiliary Module)
- EGM (Exhaust Gas Module)
- SCR (Selective Catalytic Reduction)

This document and any attachments thereto may contain information that is confidential, commercially-sensitive, proprietary, and/or public power utility competitive and financial information in accordance with the provisions of Texas Government Code, Section 552.101, 552.104, 552.110 and/or 552.133, and may be protected from required public disclosure.

IV. PAYMENT OF LIQUIDATED DAMAGES

Supplier shall pay Delay Liquidated Damages to Buyer on or before the fifteenth (15th) day of the month following each month in which a delay occurs. Payments shall be made by wire transfer of immediately available funds to an account designated in writing by Buyer.

V. EARLY ACCEPTANCE

Requirement	Incentive	Cap (as % of Contract price)
Early Acceptance		

VI. PAYMENT OF EARLY ACCEPTANCE

Buyer shall pay Supplier for achieving early Acceptance. Payment shall be made on or before the fifteenth (15th) day of the month following each month in which an early Acceptance occurs. Payments shall be made by wire transfer of immediately available funds to an account designated in writing by Supplier.

This document and any attachments thereto may contain information that is confidential, commercially-sensitive, proprietary, and/or public power utility competitive and financial information in accordance with the provisions of Texas Government Code, Section 552.101, 552.104, 552.110 and/or 552.133, and may be protected from required public disclosure.

EXHIBIT 5
PERFORMANCE GUARANTEES AND PERFORMANCE LIQUIDATED DAMAGES

As provided in the Agreement and specifically outlined below, the Equipment's Performance Guarantees are as provided below, as corrected for by the attached derating curves, Attachments 1 and 2 to this Exhibit 5.

The summary of Performance Liquidated Damages described in this Exhibit are as follows:

Requirement	Liquidated Damages	Cap (as % of Contract price)
Unit Electric Output		10%
Unit Heat Rate		10%
Exhaust Emissions		Must Meet
Minimum Turndown		Must Meet
Lubricating Oil Consumption		10%
Ammonia Consumption		10%
Noise		Must Meet
Reliability Factor		10%

Supplier hereby guarantees the performance of the Equipment as follows:

A. Unit Electrical Output Guarantee and Unit Electrical Output Liquidated Damages

Unit Electrical Output Guarantee. Once the Start-Up Certificate has been executed pursuant to Section 5.3.2 of the Agreement as to any Engine or set of Engines, Supplier shall conduct a four hour Unit Electrical Output test on the Engine(s) in accordance with the Final Test Procedure and Section 5.3.4 of the Agreement ("Unit Electrical Output Test"). Supplier guarantees that the average four hour aggregate Unit Electrical Output of all Engines or any set of engines recorded during the Unit Electrical Output Test shall be no less than an average of [REDACTED] per engine, corrected as necessary in accordance with Exhibit 8 Performance Test Guidelines and included attachments to this Exhibit 5 ("Unit Electrical Output Guarantee").

Unit Electrical Output Liquidated Damages. If the average result of the four hour Unit Electrical Output recorded during the Unit Electrical Output Test is less than the Unit Electrical Output Guarantee, Supplier shall pay Buyer [REDACTED] per kWe below the Unit Electrical Output Guarantee ("Unit Electrical Output Liquidated Damages") per number of engines being tested; provided however, the Unit Electrical Output Liquidated Damages shall not exceed the limits set forth in the Agreement, either individually or in aggregate with other Liquidated Damages.

B. Unit Heat Rate Guarantee and Unit Heat Rate Liquidated Damages

This document and any attachments thereto may contain information that is confidential, commercially-sensitive, proprietary, and/or public power utility competitive and financial information in accordance with the provisions of Texas Government Code, Section 552.101, 552.104, 552.110 and/or 552.133, and may be protected from required public disclosure.

Unit Heat Rate Guarantee. Once the Start-Up Certificate has been executed pursuant to Section 5.3.2 of the Agreement as to any Engine or set of Engines, Supplier shall conduct a four hour Unit Heat Rate test on the Engine(s) in accordance with the Final Test Procedure and Section 5.3.4 ("Unit Heat Rate Test"). Supplier guarantees that the average four hour Unit Heat Rate recorded during the Unit Heat Rate Test shall be no greater than [REDACTED] BTU/kWh-HHV, corrected as necessary in accordance with Exhibit 8 Performance Test Guidelines and the included attachments to this Exhibit 5 ("Unit Heat Rate Guarantee").

Unit Heat Rate Liquidated Damages. If the four hour aggregate Unit Heat Rate recorded during the Unit Heat Rate Test is more than the Unit Heat Rate Guarantee, Supplier shall pay Buyer [REDACTED] for each BTU/kWh that is above the Unit Heat Rate Guarantee ("Unit Heat Rate Liquidated Damages"), per number of engine being tested; provided, however, that Unit Heat Rate Liquidated Damages shall not exceed the limits set forth in the Agreement, either individually or in aggregate with other Liquidated Damages.

C. Exhaust Emissions Guarantee and Performance Incentive

Exhaust Emissions Guarantee. Once the Start-Up Certificate has been executed pursuant to Section 5.3.2 of the Agreement as to any Engine or set of Engines, Supplier shall conduct an exhaust emission test on the Engine(s) in accordance with the Test Procedures and Section 5.3.5 ("Emissions Test"). Supplier guarantees that during the Emissions Test, the exhaust emission levels from each Engine shall be no greater than the levels set forth in Attachment 2 to this Exhibit 5, as measured in pound per hour, while utilizing the Project Gas as provided for in Exhibit 7 ("Exhaust Emissions Guarantee").

Performance Incentive. Should the results of the Emissions Test demonstrate exhaust emissions levels are less than the Exhaust Emissions Guarantee, Buyer shall pay Supplier the Performance Bonus as listed below for each pollutant, on a pounds per hour basis, averaged over the Units, prorated for fractions of a pound per hour.

Pollutant	Performance incentive
NOx	[REDACTED]
VOC	[REDACTED]

D. Minimum Turndown

Minimum Turndown Guarantee. Once the Start-Up Certificate has been executed pursuant to Section 5.3.2 of the Agreement as to any Engine or set of Engines, Supplier shall conduct a one hour Minimum Turndown Test in accordance with the Test Procedures and Section 5.3.5 ("Minimum Turndown Test"). Supplier guarantees that during the Minimum Turndown Test, each Engine shall demonstrate the ability to operate at or below an average of [REDACTED]% electrical capacity, as measured in kW at the

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generator terminals during the one hour test, while meeting the Exhaust Emissions Guarantee.

E. Lubricating Oil Consumption

Lubricating Oil Consumption Test. Once the Start-Up Certificate has been executed pursuant to Section 5.3.2 of the Agreement as to any Engine or set of Engines, Supplier shall conduct a Lubricating Oil Consumption Test of no less than [REDACTED] hours on the Engine(s) in accordance with the Final Test Procedure and Section 5.3.5 of the Agreement ("Lubricating Oil Consumption Test"). Supplier guarantees that during the Lubricating Oil Consumption Test, the Engines shall demonstrate an average Lubricating Oil Consumption of no more than [REDACTED] US gallons per hour per engine.

The Lubricating Oil Consumption Test is preferably performed concurrently with the other performance tests, in particular during the Reliability Factor Test, and may be performed in multiple phases, with the run hours aggregated. The reason for this is that the lubricating oil consumption rate is at a relatively low level and a long period of operating hours will provide a greater amount of consumption which can be more easily measured. Oil temperature in the sump must be measured and corrected for at the beginning and end of the test, as well as any points in between.

The total volume of lubricating oil used by each engine during the test period will be divided by the run hours during the test period by each engine to determine the lubricating oil consumption rate in US gallons per hour.

Lubricating Oil Consumption Liquidated Damages. If the average Lubricating Oil Consumption recorded during the Lubricating Oil Consumption Test is more than the Lubricating Oil Consumption Guarantee, Supplier shall pay Buyer [REDACTED] per gallon per hour above the Lubricating Oil Consumption Guarantee ("Lubricating Oil Consumption Liquidated Damages"), per engine(s) being tested; provided, however, that Lubricating Oil Consumption Liquidated Damages shall not exceed the limits set forth in the Agreement, either individually or in aggregate with other Liquidated Damages.

F. Ammonia consumption

Ammonia Consumption Test. Once the Start-Up Certificate has been executed pursuant to Section 5.3.2 of the Agreement as to any Engine or set of Engines, Supplier shall conduct an Ammonia Consumption Test of no less than [REDACTED] hours on the Engine(s) in accordance with the Final Test Procedure and Section 5.3.5 of the Agreement ("Ammonia Consumption Test"). Supplier guarantees that during the Ammonia Consumption Test, the Engines shall demonstrate an average Ammonia Consumption of no more than [REDACTED] pounds of [REDACTED]% aqueous ammonia per hour per engine.

This document and any attachments thereto may contain information that is confidential, commercially-sensitive, proprietary, and/or public power utility competitive and financial information in accordance with the provisions of Texas Government Code, Section 552.101, 552.104, 552.110 and/or 552.133, and may be protected from required public disclosure.

The Ammonia Consumption Test is preferably performed concurrently with the other performance tests, in particular during the Reliability Factor Test, and may be performed in multiple phases, with the run hours aggregated.

The total volume of ammonia used by each engine during the test period will be divided by the run hours during the test period by each engine to determine the ammonia / urea consumption rate in pounds per hour.

Ammonia Consumption Liquidated Damages. If the average Ammonia / Urea Consumption recorded during the Ammonia Consumption Test is more than the Ammonia Consumption Guarantee, Supplier shall pay Buyer [REDACTED] per pound per hour above the Ammonia Consumption Guarantee ("Ammonia Consumption Liquidated Damages"), per Engine(s) being tested; provided, however, that Ammonia Consumption Liquidated Damages shall not exceed the limits set forth in the Agreement, either individually or in aggregate with other Liquidated Damages.

G. Noise Guarantee Test

Noise Guarantee. Supplier shall conduct a noise test in accordance with the Product Conformity Tests procedures for each Engine Generator during the factory performance tests ("Noise Test").

Generally, for all components PTC36 states for the "near field sound pressure level test" an uncertainty of [REDACTED] dB(A) for overall level. ISO 9614 and ISO 6798 indicate uncertainty of [REDACTED] dB(A) for overall level in the "survey level" test. For the purpose of the present guarantees, a general uncertainty of [REDACTED] dB(A) shall be applied.

Source	Noise Guarantee	Method/Location	Test Uncertainty
Each Engine Generator (Exclusive of noise due to sources outside of Wärtsilä's scope of supply.)	[REDACTED] dB(A) (A-weighted Sound Power Level)	Measurement for one Engine Generator according to [REDACTED] at engine test run.	[REDACTED] dB(A)

Table 1.

The objective of the Noise Test is to verify that the noise produced by the Equipment is equal to or less than the Noise Guarantee in Table 1.

Measurement results will be corrected for background noise in accordance with the referenced standards. Measurement results will be presented in 1/1 octave band levels on a frequency range of [REDACTED] Hz with overall A-weighted level.

The following test information will be included:

- Measurement equipment

This document and any attachments thereto may contain information that is confidential, commercially-sensitive, proprietary, and/or public power utility competitive and financial information in accordance with the provisions of Texas Government Code, Section 552.101, 552.104, 552.110 and/or 552.133, and may be protected from required public disclosure.

- Calibration certificate traceable to international standards
- Date and time of the measurements
- Meteorological conditions (rain, wind, etc.)
- Data on object being measured (component load, etc.)

A minimum of one engine will be selected for measurement. Measurement shall be in accordance with [REDACTED] as applicable. Measurement will be performed at Wärtsilä test run premises.

H. Reliability Factor Test

Reliability Factor Test. Once the Acceptance Certificate has been executed pursuant to Section 5.3.4 of the Agreement, the [REDACTED] hour Reliability Factor Test will be conducted to determine the overall Reliability Factor. The Reliability Factor test may be conducted concurrently with other tests, and will use the same correction factors as applicable. The Reliability Factor tests may be conducted with all or some Units in service within the transmission system limitations for dispatch of the Project.

The Plant shall be operated for a [REDACTED] consecutive hour test at load points set by the plant operators (dispatched electrical output). At any time, if the balance of plant equipment not supplied by Supplier limits the ability of a Unit to operate, that limitation will be excluded from the forced outage rate.

The Reliability Factor for each Unit, expressed as a percentage, is calculated as follows:

[REDACTED]

The Project Reliability, expressed as a percentage, is calculated as follows:

[REDACTED]

The test shall demonstrate that the Project achieves the Reliability Factor Guarantee of [REDACTED] %.

Reliability Factor Liquidated Damages. If the [REDACTED] hour Reliability Factor Test as recorded during the Reliability Factor Test is less than the Reliability Factor Guarantee, Supplier shall pay Buyer [REDACTED] per percent (prorated for fractions of percent) below the Reliability Factor Guarantee ("Reliability Factor Liquidated Damages"); provided however, Reliability Factor Liquidated Damages shall not exceed the limits set forth in the Agreement, either individually or in aggregate with other Liquidated Damages.

I. Minimum Performance Standards

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The Engines' minimum performance standards during the Performance Tests shall be as follows:

Unit Electrical Output – The Engines' minimum performance standards regarding average Unit Electrical Output shall be no less than [REDACTED] kWe, measured at the generator terminals, corrected for as described in Section A above.

Unit Heat Rate. The Engines' minimum performance standards regarding average Unit Heat Rate shall be no greater than [REDACTED] BTU/kWh, HHV, corrected for as described in Section B above.

Exhaust Emissions – The Engines' minimum performance standards regarding exhaust emissions shall be to meet the Exhaust Emissions Guarantee, corrected for as described in Section C above.

Minimum Turndown – The Engines' minimum performance standards regarding minimum turndown shall be to meet the Minimum Turndown Guarantee, corrected for as described in Section D above.

Noise Emissions – The Engines' minimum performance standards regarding noise shall be to meet the stated Noise Guarantee, corrected for as described in Section G above.

Reliability Factor. The Engines' minimum performance standards regarding the Reliability Factor shall be no less than [REDACTED] % corrected for as described in Section H above.

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ATTACHMENT 1 TO EXHIBIT 5:

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ATTACHMENT 2 TO EXHIBIT 5:

This document provides flue gas emissions, i.e. maximum average values for emissions measured over a period of minimum 60 minutes. The emissions are based on the site conditions, gas composition and measurement methods specified in this document.

Engine: **Wärtsilä® 18V50SG-B, 514 rpm (constant speed), CR 11.5**

Site conditions:

[REDACTED]

Gas composition:

The emissions are valid for following gas composition. It is understood that variations in the gas composition inside this specification will occur and are permitted; however sudden extreme changes in gas temperature, pressure or composition are not allowed.

[REDACTED]

Other gas parameters according to Wärtsilä's specification. Aromatic hydrocarbons, silicon based compounds or impurities resulting from the operating and maintenance of the gas delivery systems are not allowed.

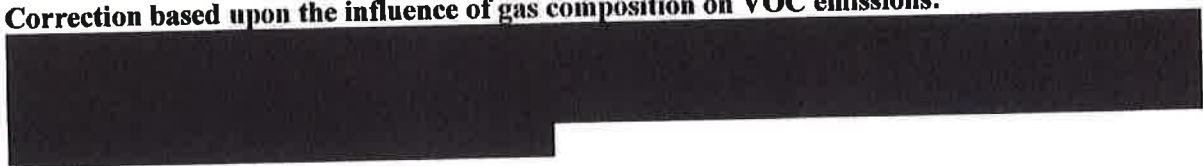
[REDACTED]

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Lubricating oil quality according to Wärtsilä specifications for gas engines.
Flue gas emissions after emission control system² at steady full engine load:

Output	kWe (generator terminals)	████
NOx (as NO ₂), max	lb/h	████
CO, max	lb/h	████
VOC (as CH ₄), max	lb/h	████
PM10 (total), max	lb/h	████
Ammonia slip (as NH ₃), max	lb/h	████

Correction based upon the influence of gas composition on VOC emissions:



Actual Fuel Gas C _{GasVOC}	Factor for VOC correction (VOC number guarantee * factor)
████████████████████	████
████████████████████	████
████████████████████	████
████████████████████	████
████████████████████	████
████████████████████	████
████████████████████	████
████████████████████	████

Time to reach compliance

The time required to reach compliance with the emission levels specified in this document will depend on operating conditions and on the temperature of the catalyst system at start. Compliance with emission data in this document will for a normal start sequence and under normal conditions be reached within

² Minimum allowed engine load equipped with emission control system is 20%

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████████ minutes from start signal. The emission data in this document are given for stable load operation at the continuous operating loads specified in this document.

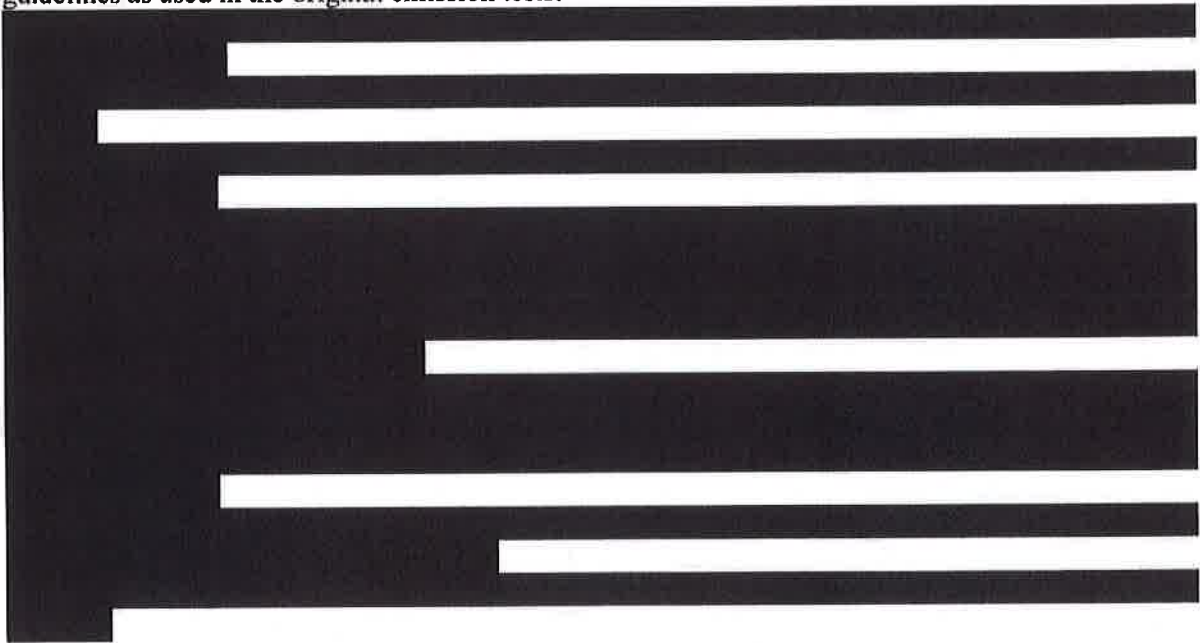
Measurement methods

Emission data provided in this document is based upon the emission measurement methods listed below. Emission data assumes that individual compounds identified above the sensitivity limit, but at concentrations below the lower limit of detection are reported as maximum one-half of the daily lower-limit of calibration. Measurements shall be performed so that minimum feasible detection limits are achieved if this is required for determining compliance with emission guarantees.

The flue gas stack emission measurements will be performed at steady operating condition of the engine. Prior to the start of the flue gas emission (stack) measurements, the engine shall have reached steady state operating conditions and the flue gas temperature measured after the emission control system shall be allowed to reach normal operating temperature.

Sufficiently long measurement sampling periods and number of samples shall be taken in order to get statistically representative results. To ensure accurate particulate matter (PM10) emission results of 3 samples are to be collected with a minimum sampling time of 1 hour per sample. Based on the judgement of the measurement consultant, the results of individual samples with abnormally high deviation shall be excluded.

The plant average result of all the tested engines is calculated from the engine-specific average results. The plant average result shall be used to verify the fulfilment of the guarantee. In case the plant average result is not in compliance with the guarantee value, the engine(s) causing the non-compliance with high engine-specific average results as per the evaluation and decision by Wärtsilä, shall be checked and adjusted. The flue gas emissions of those re-adjusted engine(s) shall be re-tested according to the same guidelines as used in the original emission tests.



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Site conditions:

[REDACTED]

Gas composition:

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[REDACTED]

Other gas parameters according to Wärtsilä's specification. Aromatic hydrocarbons, silicon based compounds or impurities resulting from the operating and maintenance of the gas delivery systems are not allowed.

[REDACTED]

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Lubricating oil quality according to Wärtsilä specifications for gas engines.
Flue gas emissions after emission control system² at steady full engine load:

Output	kWe (generator terminals)	████
NOx (as NO2), max	lb/h	████
CO, max	lb/h	████
VOC (as CH4), max	lb/h	████
PM10 (total), max	lb/h	████
Ammonia slip (as NH3), max	lb/h	████

Correction based upon the influence of gas composition on VOC emissions:



Actual Fuel Gas C _{GasVOC}	Factor for VOC correction (VOC number guarantee * factor)
████████████████████	████
████████████████████	████
████████████████████	████
████████████████████	████
████████████████████	████
████████████████████	████
████████████████████	████
████████████████████	████

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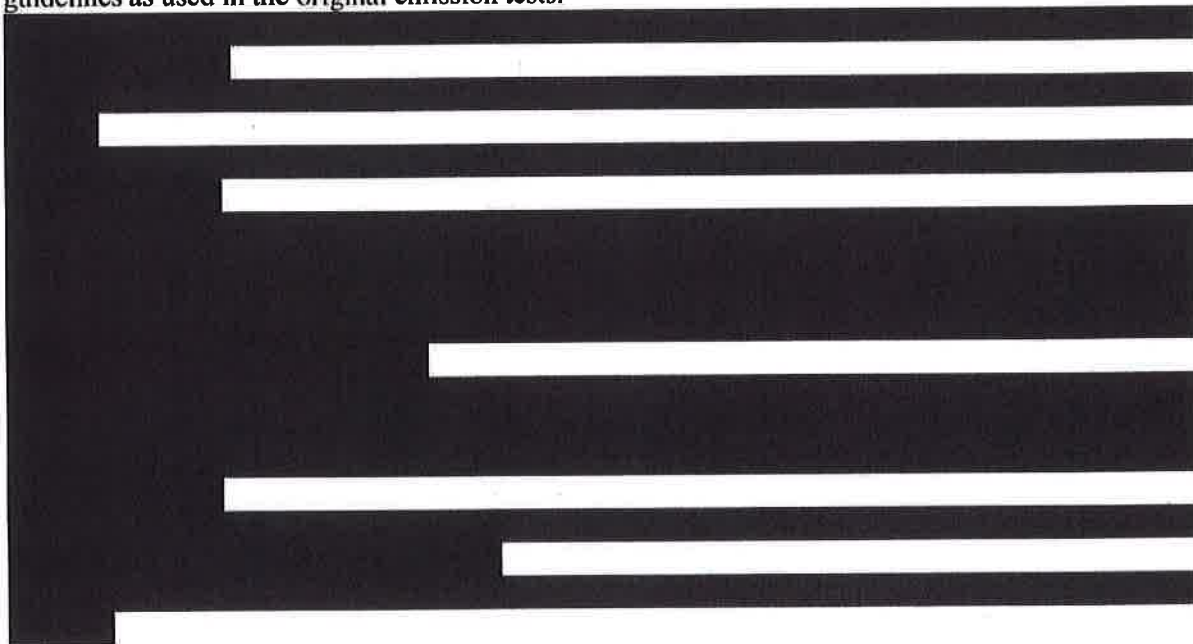
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EXHIBIT 6 -INSURANCE

I. Insurance to be Provided by Supplier. Supplier shall acquire and maintain until completion of the primary warranty period the following insurance coverage:

1. Coverages.

- (a) Worker's Compensation and Employer's Liability. Worker's Compensation insurance that shall conform to the laws of the State of Texas. The Worker's Compensation policy will be primary insurance and noncontributing with respect to Supplier and subcontractor employees directly engaged in performance of work on the Site.
- (b) Commercial General Liability. Commercial General Liability insurance (excluding Automobile Liability) providing bodily injury, personal injury, and property damage liability coverage, subject to a combined single limit of [REDACTED] per occurrence. The coverage will include Blanket Contractual, Supplier's Protective, Products and Completed Operations including Vendor's Broad Form Property Damage and will have no XCU exclusions.
- (c) Comprehensive Automobile Liability. Comprehensive Automobile Liability insurance, including coverage for liability of [REDACTED] arising out of the Supplier's use of owned, non-owned, leased, or hired automobiles for performance of the work, as required by the laws of the State of Texas.

2. Additional Insureds. Commercial General Liability and Comprehensive Automobile Liability coverage specified in this Exhibit 6 shall include Buyer as an additional insured. The liability policies shall contain a "cross-liability" or "severability of interest" clause or endorsement. All the insurance policies shall include waivers of subrogation against all insureds.

3. Delivery of Certificates; Inspection of Policies. Contemporaneously with the Notice to Proceed, Supplier shall furnish Buyer certificates of insurance as evidence that policies providing the required coverage and limits of insurance are in effect. The certificates shall provide not less than fifteen (15) days' advance notice to be given in writing to Buyer prior to cancellation termination.

II. Insurance to be Provided by Buyer. Buyer shall acquire and maintain until completion of the primary warranty period the following insurance coverage (or may satisfy using evidence of self-insurance):

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- (c) Comprehensive Automobile Liability. Comprehensive Automobile Liability insurance, including coverage for liability of [REDACTED] arising out of the Buyer's use of owned, non-owned, leased, or hired automobiles for performance of the work, as required by the laws of the State of Texas.

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- (c) Comprehensive Automobile Liability. Comprehensive Automobile Liability insurance, including coverage for liability of [REDACTED] arising out of the Buyer's use of owned, non-owned, leased, or hired automobiles for performance of the work, as required by the laws of the State of Texas.

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EXHIBIT 7-Fuel Gas Specification

PROJECT FUEL GAS COMPOSITION

Component	Design	Maximum	Minimum
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Note 1: All values above are in mol%.

Note 2: *Design* values are basis for Guaranteed Performance as provided under Exhibit 5. Propane and heavier hydrocarbons composition higher than the Design basis may impact VOC emissions.

EXHIBIT 7-Fuel Gas Specification

[illegible]

2 of 2

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EXHIBIT 8- Performance Test Guidelines

I. GENERAL PROVISIONS

A. DEFINED TERMS

Initially capitalized terms in these Performance Test Guidelines shall have the same meaning as defined in the Agreement.

B. PARTIES TO THE TESTS

The entities participating in the procedures and tests prescribed herein for Start-Up and the Performance Tests are Buyer, the Supplier, their respective Personnel, their designated representatives, and third party testing contractors, as applicable. Third-Party emissions contractor will be hired by, and paid for by Buyer.

Each entity shall provide other parties 30 days' notice of its intent to commence Start-Up and Performance Testing in order to allow the other entities opportunity to participate, attend and witness such Start-Up and Performance Testing as the Agreement may require or allow.

C. TEST PROCEDURES

These Performance Test Guidelines provide the general guidelines which will be utilized, pursuant to the Agreement, to develop the Final Performance Test Procedures. Supplier shall develop, with input from Buyer, the Final Performance Test Procedures (the Test Procedures) in accordance with the relevant provisions of the Agreement. The Final Test Procedures shall set forth, among other things, the step-by-step procedures necessary to Performance Test the Equipment and to demonstrate that the Equipment achieves the Minimum Performance Standards and the Performance Guarantees. Upon written acceptance by each of Buyer and Supplier, the Final Performance Test Procedures shall govern the conduct of the Performance Test.

The Final Test Procedures shall be developed based on these Performance Test Guidelines taking into consideration the Performance Guarantees, the Technical Specifications, and applicable performance test codes.

D. CONDUCT OF PERFORMANCE TESTS

Start-Up and Performance Testing shall be conducted in accordance with the specific requirements set forth in the Agreement along with the applicable Annexes and Exhibits.

Supplier shall provide Buyer with at least five (5) business days' notice of the date upon which Supplier proposes to commence the Performance Tests. Subject to the immediately preceding sentence, the Performance Tests may commence at any time after the issuance of the Start-Up Certificate. In its reasonable discretion, Supplier may stop and may re-perform a Performance Test at any time unless otherwise provided under the Agreement, the Final Performance Test Procedures and/or the Commissioning Protocol and Plan. Supplier shall provide reasonable

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cooperation in meeting a request by Buyer for the rescheduling of a Performance Test if necessary to allow Buyer or its representatives to attend a Performance Test. If testing activities are postponed by Buyer or third parties and not attributed to Supplier, Supplier shall be entitled to compensation for the additional time and cost. All Performance Tests will be conducted in accordance with the Agreement, the Final Performance Test Procedures, with the Plant (including all pollution control equipment) tuned and operating in the normal Plant operating configuration.

The Performance Tests shall be conducted by Supplier, acting as the leader of the performance testing, and shall be reasonably supported by Buyer and its Contractors. Buyer and its Contractors shall act under the supervision of Supplier's technical personnel and in accordance with the provisions of these Performance Test Guidelines, the Final Performance Test Procedures. The Parties shall agree on the data to be used for analysis, and the analysis will be performed by Supplier, and subsequently reviewed and approved by Buyer. If Buyer or Supplier observes any defects or deficiencies in the Equipment or its performance during any Performance Test, then it shall promptly notify the other Party in writing. Buyer and Supplier shall cooperate in good faith in determining when or to what extent the Plant will be taken out of service in order to take corrective measures; provided, however, that Buyer shall not unreasonably interfere with Supplier's preparations for and conduct of any Performance Test.

E. MODIFICATIONS TO ACHIEVE PASSAGE OF PERFORMANCE TESTS

Supplier shall have the right to determine the nature of any corrective measures or modifications to the Equipment to be taken by Supplier to achieve passage of the Performance Tests; provided that such corrective measures or modifications would not adversely affect in any material respect the performance, operation, reliability or maintenance of the Equipment, and that the measures taken are not temporary in nature. If Supplier determines that corrective measures or modifications to the installation or equipment supplied by Buyer are necessary to comply with design requirements provided by Supplier as part of engineering deliverables or applicable codes, such corrective measures or modifications shall be undertaken by Buyer as applicable and as mutually acceptable.

II. START-UP

A. GENERAL PROVISIONS

Following Installation of an Engine in accordance with Section 5.3.1 of the Agreement, Start-Up will be conducted in accordance with Section 5.3.2 of the Agreement.

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B. START-UP TESTING

1. Mechanical

a. Systems:

Buyer and Supplier shall verify the proper installation of each system prior to Start-Up.

Each system shall be started and operated at all system design conditions as long as it is reasonably practicable.

b. Engines:

Each Engine shall be operated at design speed following the guidelines of the Wärtsilä factory.

Supplier shall verify all critical shut-downs and controls for proper operation.

2. Electrical

a. Synchronization:

Engines shall be individually and collectively synchronized to prove integrity and proper operation of all controls.

b. Load Tests:

The Units shall be tested sufficiently to satisfy Supplier that the Units are ready to commence Performance testing.

III. PERFORMANCE TESTS

A. GENERAL PROVISIONS

Promptly following Start-Up Completion, the Performance Tests shall be conducted (and re-conducted, as necessary) in order to demonstrate the compliance with the Performance Guarantees in accordance with the Agreement.

1. Data Collection and Units

Supplier will collect the data during the Performance Test and will provide Buyer with a copy of all data immediately upon its availability. U.S. customary units will be used in the tests with any reference to Standard International (SI) units noted in parenthetical. The BTU to be used in the tests is the International Table BTU which is defined as equal to 1055.05585262 joules. All other conversion factors needed will

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be taken from IEEE/ASTM SI 10-2010. The precision of conversion factors will be sufficient to not reduce the accuracy of the converted value to less than the original value.

2. Meters and Instrument Calibration

All meters and instruments needed for the Performance Tests will be identified by Supplier prior to the Performance Tests. These meters and instruments will need to be identified early in the plant design to ensure adequate provisions are made to install them. Prior to the Performance Tests, calibration documents will be available for review and approval by Supplier for instruments supplied by the Buyer and review and approval by Buyer for instruments supplied by Supplier, which approvals will not be unreasonably withheld.

3. Fuel

The fuel shall be provided by Buyer and shall be in accordance with the Agreement and Exhibit 7. Supplier shall arrange for fuel samples to be taken before and/or during the Performance Tests in the form and at the intervals set out in the Test Procedures (the "Fuel Samples"). A minimum of one (1) sample per hour of testing, with redundant samples kept on site for verification of shipping and sample integrity. The average laboratory analysis for samples taken during each test run shall be used in final heat rate determination, or used to verify chromatograph analysis (if available).

Buyer shall arrange and pay for analyses of the Fuel Samples within the period set out in the Final Performance Test Procedures. The Fuel Sample properties will be determined by standard ASME and ASTM testing procedures using at least one third party laboratory, selected by Buyer and approved by Supplier, which approval will not be unreasonably withheld or delayed, and will include, as a minimum, analyses of the fuel density, lower and higher heating values and chemical composition. Buyer will provide Supplier with a copy of the Fuel Sample analyses upon their availability.

4. Monitored Parameters

During the Performance Tests, Plant parameters will be monitored and parameters will remain within normal operating limits. Instruments monitored shall include, but not be limited to: ambient temperature and relative humidity, Engine and Generator temperatures, lube oil temperatures and pressures, cooling water and other auxiliary systems temperatures, pressures and flows. Power house temperatures shall also be monitored and measured periodically during testing at various locations.

B. PERFORMANCE TESTS

1. Objectives

- I. Gross Unit Electric Output. The Gross Unit Electric Output test shall be performed on each Unit to verify the Gross Electric Output Guarantee. The test shall be conducted

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concurrently with the Gross Heat Rate test over a four (4) hour period per Unit, unless otherwise mutually agreed.

- II. Gross Unit Heat Rate. The Gross Unit Heat Rate test shall be performed on each engine to verify the Gross Heat Rate Guarantee. The test shall be conducted over a four (4) hour period per Unit, unless otherwise mutually agreed.
- III. Air Emissions. The Air Emissions Compliance test may, at Suppliers option, be performed during the Gross Output and Gross Heat Rate test. Three test runs of at least one hour each will be performed for NO_x, CO, VOC, PM₁₀ and NH₃ emissions. PM₁₀ emissions will be measured as total particulate matter (i.e., filterable plus condensable). Emissions will be reported as the average of the three test runs.
- IV. Minimum Turndown. The Minimum Turndown Test shall be performed on each Engine Generator to verify the Minimum Turndown Guarantee. The test shall be conducted over a one (1) hour period, unless otherwise mutually agreed.
- V. Lubricating Oil Consumption. The Lubricating Oil Consumption test shall be performed to verify the Lubricating Oil Consumption Guarantee. The test shall be conducted concurrently with other tests over a one hundred sixty-eight (168) hour period, unless otherwise mutually agreed.
- VI. Ammonia / Urea Consumption. The Ammonia / Urea Consumption test shall be performed to verify the Ammonia / Urea Consumption Guarantee. The test shall be conducted concurrently with the Gross Electric Output test over a four (4) hour period, unless otherwise mutually agreed.
- VII. Noise limit – Genset. Each Engine will be tested according to the Final Test Guidelines to demonstrate compliance with the Engine Noise Limit Guarantee.
- VIII. Reliability Guarantee. The Reliability Guarantee test will be a 96 hour test conducted to determine the reliability of the Equipment over the set period. The Reliability Guarantee test may be conducted concurrently with other tests. If required, the Reliability tests may be conducted with multiple units in service within the transmission system limitations for dispatch of the Plant.

2. Period

To the extent desired by Supplier, the Air Emissions Test may be performed concurrently with the Gross Output and Gross Heat Rate tests for 100% Gross Output emissions. All final Performance Testing, however, must ensure compliance with the Emission Guarantees per Exhibit 5 of the Agreement. Prior to the start of any of these Performance Tests, each Unit shall be operated for a minimum of two hours in order

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to obtain steady state conditions. The time period needed to ascertain steady state may vary depending on Site Conditions and Engine conditions and will be as reasonably determined by Supplier. Supplier shall not be required to commence or continue any Performance Test in the absence of a stable load and such determination shall be at the sole discretion of the Supplier.

Other Performance Tests shall be scheduled during The Gross Output and Gross Heat Rate tests to the extent possible.

The readings from the instruments as collected electronically and/or recorded on data sheets shall be used to determine the measured Performance Guarantees. Each 1-hour data set of measured Gross Electrical Output and Gross Heat Rate shall be corrected to the Design Conditions. The Performance Guarantees shall be calculated from the arithmetical average of the corrected 1-hour data sets of corrected Gross Electrical Output and Gross Heat Rate results of all Units.

3. Re-test.

Supplier may test the Equipment, including re-conducting any Performance Test, until the Equipment meets the Performance Guarantees or the Absolute Performance Guarantee.

4. Ambient Conditions

a. What Measured

The ambient conditions of temperature, relative humidity and barometric pressure (the "Ambient Conditions") will be measured.

b. When Measured

The Ambient Conditions will be measured at intervals as set out in the Final Performance Test Procedures such that representative Ambient Conditions can be determined for the test period.

c. Where Measured

Ambient Temperature:

per the detailed Final Performance Test Procedures, in a way that will not cause the reading to be affected by the Plant operation. The sensors will be located so as to be representative of charge air intake to the engines and ventilation air into the building.

Relative Humidity:

per the detailed Final Performance Test Procedures, in a way that will not cause the readings to be affected by the Plant operation.

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For relative humidity corrections due to engine effects, the relative humidity will be measured by the plant weather station.

Barometric Pressure:

per the detailed Final Performance Test Procedures, in a non-pressurized location or nearby location.

d. How Measured

The Ambient Conditions shall be measured in accordance with methods set out in the Final Performance Test Procedures.

e. Measurement Accuracy

Ambient Temperature:

At least 0.4 Deg F, or if greater as stipulated in the Final Performance Test Procedures.

Relative Humidity:

in accordance with the Final Performance Test Procedures

Barometric Pressure:

At least 0.01 inch of mercury, or if greater as stipulated in the Final Performance Test Procedures

f. Who Measures

Supplier shall measure and record the Ambient Conditions.

Measurements

Symbol	Definition	Measuring point	Unit	Tolerance, max
p_x	Total barometric pressure		psia	
t_x	Ambient air thermodynamic temperature		F	
t_{ox}	Charge air coolant thermodynamic temperature		F	
$gf^{1)}$	Volume of gas consumed		ft ³	
r	Heat Rate		BTU/kWh	

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			LHV	
LHV (dry)	Lower heating value		BTU/ft ³	
HHV (dry)	Higher heating value		BTU/ft ³	
RH	Relative Humidity		%	
E	Electrical energy		kWh	
tt	Time		s	
I	Current		A	
U	Voltage		V	
N	Number of test runs in a test		N/A	
P	Power		kW	
Δ	Delta between measured value and +/- tolerance value as calculated in the applicable section below		N/A	
SUBSCRIPTS				
tol	Tolerance on test value or meter accuracy		N/A	
min	Minimum value as calculated in the applicable section below		N/A	
max	Maximum value as calculated in the applicable section below		N/A	
guaranteed	Guaranteed value in the applicable section of the Agreement		N/A	

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ave	Average value as calculated in applicable section below	████	N/A	████
measured	Value measured during testing and corrected for by Derating Curves	████	N/A	████
g	Generator terminal value	████	N/A	████
transf	Measuring transformer for I and U as applicable	████	N/A	████
i	Test run number	████	N/A	████
test	Value measured during a specific test run	████	N/A	████
hr	As measured during a specific heat rate test run	████	N/A	████
p	As measured during a specific output test run	████	N/A	████

1) Volume of gas to be expressed at same reference conditions as the LHV and HHV.

* - This is the point of measurement as per Agreement between Supplier and Buyer

5. Fuel Consumption Measurements

The actual fuel consumed by the Engines shall be measured by Supplier, using fuel meters provided by Supplier, during the Performance Tests and according to the Final Performance Test Procedures. The fuel meters shall have an accuracy as stipulated in the Final Performance Test Procedures, and Supplier shall supply calibration certificates for the meters being used.

6. Maintenance

During the Performance Test, maintenance of the Plant equipment may not be performed at any time, other than scheduled checks and changes per the commissioning protocols.

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7. Gross Output and Gross Heat Rate Determination

The Unit Gross Heat Rate will be calculated as the ratio of (i) the total fuel consumed per Engine, based on higher heating value of the fuel, expressed in Btu/hr, over (ii) the Gross Output (expressed in kW) of the Engine over the same time interval. Both values will be measured during the Gross Output and Gross Heat Rate test. Such Gross Heat Rate and Gross Output may be measured concurrent with other test periods as agreed between Supplier and Buyer.

Adjustment of Gross Output and Gross Heat Rate

The Gross Output and Gross Heat Rate shall be adjusted for the measured Ambient Conditions per the Unit derating curves as provided as Attachment 1 to Exhibit 5, utilizing the methods generally described in the Agreement and more completely prescribed in the Final Performance Test Procedures. This adjustment is for the purpose of comparing the Gross Output and Gross Heat Rate to the Performance Guarantee values. These methods and calculation procedures will be included in the Final Performance Test Procedures. Possible adjustments shall be addressed in the Final Performance Test Procedures (e.g., ambient temperature, ambient relative humidity, ambient barometric pressure, and power factor, fuel pressure, methane number, heating value and heating value ratio, etc.).

Calculations

[REDACTED]

[REDACTED]

[REDACTED]

Measurement accuracy in electrical power test

The measurement tolerances will cause a measurement uncertainty in the measured electrical power. The components involved are the measuring transformers and the power measuring unit, and in some special cases only the energy measuring unit.

Tolerance usage is according [REDACTED]

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[REDACTED]

Electrical Power

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Recalculation of heat rate

[REDACTED]

[REDACTED]

Measuring tolerances in Heat Rate test

[REDACTED]

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[REDACTED]

[REDACTED]

Heat Rate

[REDACTED]

8. EMISSIONS TESTS

Flue Gas Emissions - Testing Objective

The objective of these tests is to verify that the flue gas emissions from each Engine during the applicable Performance Tests are in compliance with the Emissions Guarantee set forth in the Agreement, including emissions guarantees for [REDACTED]. If an emission test is not performed concurrently with Unit Electrical Output/Unit Heat Rate testing, controls and equipment settings shall not be changed between Unit Electrical Output/Unit Heat Rate testing and Emissions testing.

A certified third-party emissions test company will be chosen by Buyer and approved by Supplier, approval of which shall not be unreasonably withheld. Testing will be at the expense of Buyer.

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Flue Gas Emissions - Testing Methods

Emissions data is provided based upon the emission measurement methods listed below, along with associated support methods, and are valid only for these methods. Based upon mutual written consent, evaluation of measurement levels can be made using alternative methods.

Emission data assumes that individual compounds identified above the sensitivity limit, but at concentrations below the lower limit of detection are reported as maximum one-half of the daily lower-limit of calibration. Measurements shall be performed so that minimum feasible detection limits are achieved if this is required for determining compliance with the Emission Guarantee.

The flue gas stack emission measurements will be performed at steady operating condition of the Engine. Prior to the start of the flue gas emission (stack) measurements, the Engine shall have reached steady state operating conditions and the flue gas temperature measured after the emission control system shall be allowed to reach normal operating temperature.

Sufficiently long measurement sampling periods shall be implemented in order to get representative test results for all air pollutants. To ensure accuracy, Flue Gas Emission tests shall include three (3) test runs with a minimum sampling time of 1-hour per sample. Test results will be the average of the three test runs. Based on the judgment of the Third-Party emissions test company, the results of individual test runs with abnormally high deviation may be excluded as approved by the Buyer.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

8. Minimum Turndown Test

The Minimum Turndown test will be conducted to demonstrate the Engine(s) ability to run at or below the Minimum Turndown Guarantee. The Minimum Turndown test may be conducted concurrently with the [REDACTED] tests, and may be conducted with multiple units in service within the transmission system limitations for dispatch of the Plant.

9. Lubricating Oil Consumption Test

The Lubricating Oil Consumption Test is performed to determine the rate of lubricating oil consumed during operation. The Lubricating Oil Consumption Test is preferably performed concurrently with the other performance tests, in particular during the Reliability Test. The reason for this is that the lubricating oil consumption rate is at a relatively low level and a long period of operating hours will provide a greater amount of consumption which can be more easily measured.

Prior to the start of the Lubricating Oil Consumption Test, the lube oil sumps of all the engines or group of engines will be filled to the full mark, such mark and such fill level will be carefully noted in each engine while the engine is not operating.

The engines will then be operated for a length of time agreeable to both BUYER and SELLER, however a minimum of [REDACTED] hours. After such operating time period, the lube oil sumps will be refilled to precisely the same level as noted prior to the start of the test, with the engines not operating, and at the same temperature. The volume of lubricating oil required to fill the sumps to the pre-test level will be measured by means agreeable to both BUYER and SELLER.

10. Ammonia / Urea Consumption Test

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The Ammonia / Urea Consumption Test is performed to determine the rate of ammonia / urea consumed during operation. The Ammonia / Urea Consumption Test is preferably performed concurrently with the Gross Output performance tests, or as otherwise mutually agreed.

The engines will then be operated for a period of [REDACTED]
[REDACTED] The consumption of Ammonia / Urea will be measured by the reagent dosing equipment.

Density of the ammonia / urea will be measured by samples taken during performance of the tests.

11. NOISE TEST

Equipment Noise Test - Testing Objective

The objective of these tests is to verify that surface averaged sound pressure level at 1 m distance from the genset is at the Noise Guarantee or below.

Equipment Noise Test - Test Location

Measurement will be performed at engine test run, Trieste, Italy, during PCT testing.

Equipment Noise Test - Testing Methods

Noise measurement shall be made according [REDACTED]
[REDACTED]

Engine surface averaged sound pressure level is measured and defined according to this standard. Standard is followed until the end of paragraph 13.2 Calculation of the measuring surface sound pressure levels.

Equipment Noise Test - Reporting

Measurement results will be presented in [REDACTED]
[REDACTED] overall A-weighted level.

The following information shall be included:

- Data on object being measured (e.g. Engine load, turbo charger speeds etc.)

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- Date and time when the measurements were performed, identity of the person who performed the measurements and location of the measurement positions.
- Applied measurement methods
 - Measurement instrumentation
 - Weighting networks and detector responses used
 - Method of instrument calibration
 - Copy of the calibration certificate(s) of the measurement equipment showing the type(s) and serial number(s) of the instrument(s) used.
- Measured noise level

12. RELIABILITY GUARANTEE TEST

The Reliability Guarantee test will be conducted to determine the reliability of the Equipment over a set period. The Reliability Guarantee test may be conducted concurrently with Gross Output Test Program and will use correction factors for Gross Output. If required, the Reliability tests may be conducted with multiple units in service within the transmission system limitations for dispatch of the Plant.

The tests will be conducted as follows:

Each Unit shall be demonstrated during [REDACTED] consecutive hours of dispatch. During the [REDACTED] hours of dispatch, the Plant shall be subject to dispatch which may include varying loads between full [REDACTED] and minimum [REDACTED], including reasonable startups and shutdowns.

The Generator Sets shall have satisfied the Reliability Guarantee to the extent that the Generator Sets achieve the Reliability Guarantee value (percentage) set for in Exhibit 5, as calculated in accordance with the definition.

IV. PREREQUISITES AND PRECAUTIONS

The following prerequisites and precautions shall be observed during Performance Testing:

- Buyer will arrange for the distribution of electrical power to the grid during the tests.

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- Buyer will arrange for appropriate pollution control authority to witness emissions tests, if required by applicable law.
- Buyer will provide available plant operating personnel and operate the plant under Supplier's supervision. Supplier shall provide additional personnel required for data collection and supervision of testing. Supplier shall brief operating and test personnel on safety considerations and test procedures and shall familiarize them with the range of data to be expected during each of the test runs.
- Supplier shall provide Buyer with prior notice per Agreement requirements that the Engines are ready for commencement of Performance Tests.
- Plant control system shall function and operate in "auto" mode.
- Safety devices, protective relays, and trip mechanisms shall be checked and confirmed to be operational before performance testing. A lifted leads and jumper log shall be maintained, as applicable. All Plant support systems shall be pre-operationally tested and shall be available for operation at the design conditions.
- Plant instrumentation used for test data acquisition shall be installed and calibrated before testing. Supplier shall provide special test instrumentation as required for the Equipment, if deemed necessary by Supplier. Manufacturer's recommended calibration cycles shall not be exceeded. Instrument calibration shall include primary instruments, transmitters, and signal processing. The Buyer shall be given the opportunity to witness the instrumentation calibration. Calibration sheets for primary instruments will be reviewed by the test team prior to field testing. Calibration data shall be supplied to Buyer with the test report. Post-test calibration of test instruments shall not be performed unless deemed necessary to validate data from specific instruments as mutually agreed to between the Buyer and the Supplier if there is some reason to suspect an instrument inaccuracy issue.

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EXHIBIT 9-Form of Start-Up Certificate

Wärtsilä North America, Inc. ("Supplier"), under the Equipment Supply Agreement, dated September 13, 2016 ("Agreement"), between Supplier and the City of Denton ("Buyer"), hereby certifies that:

The Engines' Start-Up has been completed in accordance with Section 5.3.2 of the Agreement and the Engines are in compliance with the Technical Specifications.

Capitalized terms used and not defined herein shall have the respective meanings assigned to them in the Agreement.

IN WITNESS WHEREOF, Supplier has executed and delivered this Start-Up Certificate through its duly authorized representative as of the ____ day of _____, 20__.

WÄRTSILÄ NORTH AMERICA, INC.

By: _____

Name: _____

Title: _____

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Form of Individual Engine Start-Up Certificate

Wärtsilä North America, Inc., ("Supplier"), under the Equipment Supply Agreement, dated September 13, 2016 ("Agreement"), between Supplier and the City of Denton ("Buyer"), hereby certifies that:

Engine number ____ has completed its commissioning and start-up process in accordance with Section 5.3.2 of the Agreement and it is in compliance with the Technical Specifications.

Capitalized terms used and not defined herein shall have the respective meanings assigned to them in the Agreement.

IN WITNESS WHEREOF, Supplier has executed and delivered this Individual Engine Start-Up Certificate through its duly authorized representative as of the ____ day of _____, 20__.

WÄRTSILÄ NORTH AMERICA, INC.

By: _____
Name: _____
Title: _____

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Exhibit 10 – Form of Acceptance Certificate

Wärtsilä North America, Inc. ("Supplier"), under the Equipment Supply Contract, dated September 13, 2016 ("Agreement"), between Supplier and the City of Denton ("Buyer"), hereby certifies that:

1. The Equipment has successfully completed the Performance Tests of Unit Electrical Output Guarantee and the Unit Heat Rate Guarantee in accordance with the Final Test Procedure, as well as submitted to Buyer the Performance Tests' raw data and applicable reports confirming the foregoing. *[To be inserted if Supplier elects to deliver Acceptance Certificate only upon meeting Minimum Performance Standards: Supplier acknowledges and agrees that Performance Liquidated Damages in the amount of \$[] are due and payable by Supplier to Buyer as of the date hereof and shall be paid or offset in accordance with the Agreement]; and*

2. Supplier has delivered to Buyer the documentation under the Agreement's Section 10.1.

Capitalized terms used herein and not defined herein shall have the respective meanings assigned to them in the Agreement.

IN WITNESS WHEREOF, Supplier has executed and delivered this Acceptance Certificate through its duly authorized representative as of the ____ day of _____, 20__.

WÄRTSILÄ NORTH AMERICA, INC.

By: _____
Name: _____
Title: _____

hereby accepts the foregoing in accordance with the terms of the Agreement.

IN WITNESS WHEREOF, the City of Denton has caused this Acceptance Certificate to be executed by its duly authorized representative as of the ____ day of _____, 20__.

THE CITY OF DENTON

By: _____
Name: _____
Title: _____

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Exhibit 11 - Form of Change Order

CHANGE ORDER NO. _____ Date: _____

In accordance with **Article 9** of that certain Equipment Supply and Services Contract, dated as of September 13, 2016 (the "**Agreement**"), between **Supplier** and **Buyer**, Supplier and Buyer agree as follows:

Description of Change:

Original Contract Price	\$	_____
Previous Change Orders	\$	_____
Amount of this Change Order	\$	_____
New Contract Price	\$	_____

This Change Order will modify the Payment Milestone Date(s) as follows:

_____ Increase _____ Decrease _____ No Effect _____ Calendar
Days

Capitalized terms used and not defined herein shall have the meaning set forth in the Agreement. Except as modified hereby, the Agreement shall remain in full force and effect and unmodified.

ACCEPTED BY SUPPLIER

By: _____

Printed Name: _____

Title: _____

ACCEPTED BY BUYER

By: _____

Printed Name: _____

Title: _____

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Exhibit 12 – Document Delivery Schedule

Project Milestone's Activity Task Code	Deliverable Documents	Deadline
A1810	Engine and Other Equipment Design – Preliminary	September 22, 2016
A1820	Engine and Other Equipment Design – Basic	October 20, 2016
A1830	Other Equipment Design – Radiators/Silencers/SCR Final Weights and Sizes	October 20, 2016
A1840	Engine and Other Equipment Design - Detailed	December 7, 2016

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Exhibit 13 - Cancellation Schedule

[illegible]

¹ Includes all prior payments.

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**Exhibit 14 - Safety Spare Parts List
City of Denton**

System
12xW50SG-18V50SG

<u>Part number</u>	<u>Description</u>	<u>Quantity</u>
100004	Side screw	4
100037	Nut	8
100089	Nut	4
100091	Nut	4
100092	Screw	4
100094	Screw	4
100096	Main bearing shell (upper)	4
100097	Main bearing shell (lower)	4
100100	Cylinder liner	1
100101	Antipolishing ring	2
100109	O-ring	2
100111	O-ring	4
100112	Thrust bearing half	8
100113	Bearing shell	4
100114	Bearing bush	4
100163	Stud	8
107057	Hose gasket	4
107452	Hose gasket	4
111004	Connecting rod, lower part	1
111006	Nut	4
111007	Screw	4
111008	Screw	4
111009	Nut	4
111016	Bearing shell, upper	4
111017	Bearing shell, lower	4
111018	Shim	2
111024	Connecting rod, upper part	1
111025	Bearing bush	4
113010	Securing ring	4
113013	Piston ring set	4
113014	Gudgeon pin	1
113025	Piston, compl.	1
120012	Seat ring, inlet	4
120025	Yoke pin	4
120055	Cylinder head with valves	2
120070	Sealing set for cylinder head	4
120080	Repair kit for cylinder head overhaul	4
120081	Valve guide	4
120103	Seat ring, exhaust	4
121002	Valve cotter	8
121004	O-ring	8
121008	Valve spring, outer	4
121009	Valve spring, inner	4
121020	Inlet valve, compl.	2
121030	Valve rotator, compl.	4
121040	Exhaust valve, compl.	2
123035	Sealing set for starting valve	2
123471	Starting valve	2
123472	Extension piece	2

Exhibit 14 - Safety Spare Parts List
City of Denton

124010	Hose gasket	4
124011	Hose gasket	2
124022	O-ring	4
124028	Screw	6
124032	Nut	4
124037	Clamping ring, complete	2
124044	Sealing ring	4
124098	Prechamber assembly with hydraulic valve	2
124102	Sealing ring	4
124109	Prechamber tip	2
124111	Prechamber valve	2
124123	Sealing set	4
124141	Spark plug	4
141014	Bearing bush	4
141025	Valve tappet	2
141030	Tappet roller	4
141031	Locking pin	4
141032	Roller pin	4
141036	Compression spring	4
141037	Valve tappet, complete	2
143015	Yoke, complete, Inlet Valves	2
143016	Yoke, complete, Outlet valves	2
143036	Screw	8
143037	O-ring	2
143039	Rocker arms and bracket	1
148035	Snap ring	4
148036	Guiding pin	4
148097	Camshaft piece	1
148099	Camshaft piece	1
148187	Screw	60
1561071	Spare part set	1
1561072	Spare part set	1
164004	O-ring	12
164006	O-ring	4
164010	Main gas admission valve	4
164015	O-ring	4
164167	Cable	4
181245	Repair kit	2
181246	Valve kit	2
191235	Sealing set	2
191236	Sealing set	2
200252	Bellows	4
200325	Seal ring	2
200327	Nut	132
200328	Bellows	3
200329	Screw	48
200333	Gasket	4
200338	Screw	96
200339	Nut	96
200340	Sealing ring	4
200369	Screw	66
200378	Bellows	4
207184	Butterfly valve + positioner	1
228158	Solenoid valve	2
3501322	Spiral gasket	4

**Exhibit 14 - Safety Spare Parts List
City of Denton**

3501837	Gasket	6
357044	O-ring	4
357045	O-ring	4
357712	Converter	2
5021045	Electrical unit	2
5021131	Electronic unit	2
5021136	Electronic unit	2
502965	Main control unit	2
502977	Power distribution module	2
502978	Power distribution module	2
504295	Coil on plug extension	2
504297	Coil on plug	2
504300	Ignition module	4
504301	Spare part kit	4
5062003	Thermoelement	8
5062004	Thermoelement	4
5062606	Knock sensor	2
5063376	Cylinder pressure sensor	2
507982	Electronic unit	2
GS792	Limit switch	2
LS204	Level switch	2
PT201	Pressure sensor	2
PT301	Pressure sensor	2
PT312	Pressure transmitter	2
PT401	Pressure sensor	2
PT471	Pressure transmitter	2
PT601	Pressure sensor	2
PT700	Pressure transmitter	2
PT901	Pressure transmitter	1
PT911	Pressure transmitter	2
PTZ201	Pressure sensor	2
ST173	Speed pick-up	2
ST174	Speed pick-up	2
ST196P	Speed sensor	1
ST196S	Speed sensor	2
TE201	Temperature sensor	2
TE401	Temperature sensor	2
TE402	Temperature sensor	2
TE403	Temperature sensor	2
TE471	Temperature sensor	2
TE511	Temperature sensor	2
TE517	Temperature sensor	2
TE601	Temperature sensor	2
TE700	Temperature sensor	2
TE701	Temperature sensor	2

Number of different parts

149

System

24xCharge Air Exhaust gas System-NGA Charge air filter

Safety spare parts

Exhibit 14 - Safety Spare Parts List
City of Denton

<u>Part number</u>	<u>Description</u>	<u>Quantity</u>
10010778	DD PANEL 6' RIGHT	51
10010782	DD PANEL 6' LEFT	51
10010837	10010837 SPEED REDUCER	1
4601120	MOTOR 0,18 KW 50HZ	1
70001540	70001540 ELECTRONIC TIMER	1
9110140	UPPER SHAFT SEAL	2
9110770	CHAIN LINK	200
9110780	JUNCTION LINK	4
9172100	COUPLING NUT	2

Number of different parts 9

System

12xCharge Air Exhaust gas System-NHA Exhaust gas ventilation unit

Safety spare parts

<u>Part number</u>	<u>Description</u>	
3271-11	FLOW SWITCH SF-1K	1
MPT-290T	RADIAL FAN MPT-290T	1
US1FA.0150	EXHAUST GAS BELLOW DN150	1

Number of different parts 3

System

24xCharge Air Exhaust gas System-NHA Rupture disc

Safety spare parts

<u>Part number</u>	<u>Description</u>	
282030	GASKET DN1200	2
67111620003	RUPTURE DISC CV-S-I-LW-RI DN1200	1
WDAAA22168	SUPPORT RING DN1200	2

Number of different parts 3

System

12xCharge Air Exhaust gas System-NHA Rupture disc

Safety spare parts

<u>Part number</u>	<u>Description</u>	
282030	GASKET DN1200	2
67111620003	RUPTURE DISC CV-S-I-LW-RI DN1200	1
WDAAA22168	SUPPORT RING DN1200	2

Exhibit 14 - Safety Spare Parts List
City of Denton

Number of different parts

3

System

12xCharge Air Exhaust gas System-YBA NOx CombiKat SCR

Safety spare parts

<u>Part number</u>	<u>Description</u>	
0104.0015	NON RETURN VALVE 1/2	1
0104.0018	NON-RETURN VALVE 3/4	1
0901.0030	SWITCH THERMO SWITCH 55	1
0902.0021	PRESSURE SWITCH 250-1000 MBAR	1
2010.0068	THERMOSTAT 999 C	1
2030.0262	CPU	1
2030.0352	RESISTOR	5
6000.0042	POWER SUPPLY 100 W	1
6000.0115	TEMPERATURE SENSOR L=650MM/3M	1
6000.0823	GATEWAY	1
6000.1255	FLOW SENSOR SM600	1
6000.1261	GASKET 77.7X45X3 MM	1
6000.2933	LINE SAFETY SWITCH 4A. 2POL	1
6000.3081	SOLENOID VALVE 24V 481865C2	1
6000.5920	FUSE WITH CONNECTOR	5
6000.7095	MOTOR SAFETY SWITCH PKZM0-2,5	1

Number of different parts

16

System

12xCooling water system-Expansion tank

Safety spare parts

<u>Part number</u>	<u>Description</u>	
S90005000	LEVEL SWITCH	1

Number of different parts

1

System

12xCooling water system-Radiator

Safety spare parts

<u>Part number</u>	<u>Description</u>	
6307C3	6307 C3 BEARING	5
6309C3	6309 C3 BEARING	5
E8172	FAN MW-1236/6-6/43/PAG/9WR/42/12/A	1
FINC00015	MOTOR UDFNV160L 7,5 KW 750RPM 3/400V 50HZ	1
KUM325T	SAFETY SWITCH KUM 325T	1

Exhibit 14 - Safety Spare Parts List
City of Denton

Number of different parts **5**

System

12xElectrical System-BAN- Neutral point cubicle

Safety spare parts

<u>Part number</u>	<u>Description</u>	
TO105UE	CURRENT TRANSFORMER	4

Number of different parts **1**

System

2xElectrical System-BEY- DC- system

Safety spare parts

<u>Part number</u>	<u>Description</u>	
18060150	SHUNT 150A/60MV	2
52500211	AUXILIARY CONTACT 07350	4
94M037	LED MODULE 94M037	1
94M096D	DIGITAL SUPERVISOR 94M096D	1
94M102B	FUSE CONTROL UNIT 94M102	1
BEB10	EARTH BALANCING UNIT BEB-10	1
DX1C166KA	MCB DX-1C16 6KA	2
DX2C12510KA	MCB DX-2C125 10KA	2
DX2C166KA	MCB DX-2C16 6KA	4
DX2C206KA	MCB DX-2C20 6KA	4
DX2C326KA	MCB DX-2C32 6KA	2
DX2C506KA	MCB DX-2C50 6KA	2
DX2C636KA	MCB DX-2C63 6KA	2
DX2C66KA	MCB DX-2C6 6A	4
ELM10	EARTH LEAKAGE MONITOR ELM-10	1
IPS1800110V	RECTIFIER IPS 1800 110V	1
MPK318D24V	SYSTEM ADAPTER MPK 318D/24V	1
MPK320DRCU24V	CONTROL UNIT MPK-320D RCU/24V	1
MPK34724V	FUSE ADAPTER MPK 347/24V	1
MSR2440	RECTIFIER MSR24/40	1

Number of different parts **20**

System

12xElectrical System-BJA- Engine auxiliary panel

Safety spare parts

<u>Part number</u>	<u>Description</u>
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**Exhibit 14 - Safety Spare Parts List
City of Denton**

140ACO13000	ANALOG OUTPUT 140 ACO 130 00	2
140ARI03010	ANALOG INPUT 140 ARI 030 10	2
140CPS51100	POWER SUPPLY UNIT 140 CPS 511 00	2
140CRA93100	RIO DROP MODULE 140 CRA 931 00	2
140DDI35300	DIGITAL INPUT 140 DDI 353 00	2
140DDO35300	DIGITAL OUTPUT 140 DDO 353 00	2
140XTS00200	TERMINAL STRIP 140 XTS 002 00	2
1SNA631025R1400	DIGITAL INPUT MODULE BOM-16-B; 1SNA631025R1400	2
A16301084110VAC	CONTACTOR A 16-30-10-84/110VAC	2
A50300084110VAC	CONTACTOR A 50-30-00-84/110VAC	2
A930018124VAC	CONTACTOR A 9-30-01-81/24VAC	4
A9301084110V	CONTACTOR A 9-30-10-84/110VAC	2
AUX 1Q 1SY	AUXILIARY CONTACT AUX 1Q 1SY; 250V AC/DC; T1-T6	2
CA5-01	AUXILIARY CONTACT CA5-01	2
CA5-10	AUXILIARY CONTACT CA5-10	2
E27240V60W	BULB E27; 240V 60W	2
GARDO; MAX 60W	PANEL LIGHT GARDO MAX 60W	2
HK1-11	AUXILIARY CONTACT HK1-11	4
JSBRT1124VDC	SAFETY RELAY JSBRT11 24VDC	2
MS 116-16	MOTOR STARTER MS 116-16; 10-16A	2
MS 116-4.0	MOTOR STARTER MS 116-4.0; 2.5-4.0A	2
MS 116-6.3	MOTOR STARTER MS 116-6.3; 4.0-6.3A	2
PT3P7615115VAC	AC-AUXILIARY RELAY PT 3P7615 115 VAC	2
PT5D702424VDC	DC-AUXILIARY RELAY PT 5D7024	4
QUINTPS1AC24DC5	DC POWER SUPPLY QUINT-PS/1AC/24DC/5	2
S 203-C 4	MCB S 203-C 4	2
S201-C1	MCB S201-C1	4
S201-C2	MCB S201-C2	2
S201-C3	MCB S201-C3	2
S202-C4	MCB S202-C4	2
S2CH6R	AUXILIARY CONTACT S2C-H6R	10
S506-100-R-B	TUBE FUSE S506-100-R-B; 100MA 5X20MM	6
SK 3325.107	FILTER FAN SK 3325.107 230 V	2
SK 3325.207	FILTER SK 3325.207	2
SK3110	THERMOSTAT SK 3110	2
SK311650120W	HEATER SK3116; 50/120W	2
T2N160FF3MA52	COMPACT BREAKER	2
T2N160FF3TMD160	COMPACT BREAKER	2
TA75DU42	THERMAL RELAY TA 75 DU 42 29; 22-42A	2
WDU4	TERMINAL WDU 4	100
XRFE16124	DIGITAL RELAY OUTPUT MODULE XRFE16124	2
ZB5-AA2	PUSH BUTTON ZB5-AA2; BLACK; ZB5-AZ101	2
ZB5-AA3	PUSH BUTTON ZB5-AA3; GREEN; ZB5-AZ101	2
ZB5-AK1213	LIGHT SWITCH HANDLE WHITE ZB5-AK1213	2
ZB5-AK1313	LIGHT SWITCH HANDLE ZB5-AK1313 WHITE	4
ZB5-AS844	EMERGENCY STOP BUTTON ZB5-AS844; ZB5-AZ104; ZH	2
ZB5-AW0B13	BODY/ CONTACT BLOCK WITH LED ZB5-AW0B13	4
ZB5AW313	PUSH BUTTON ZB5-AW313	2
ZBE-101	CONTACT BLOCK ZBE-101	4

Number of different parts

49

System

12xElectrical System-BLP- Frequency converter

Exhibit 14 - Safety Spare Parts List
City of Denton

Safety spare parts

<u>Part number</u>	<u>Description</u>	
NXS02615A2H	FREQUENCY CONVERTER	2
Number of different parts		1

System

12xElectrical System-BLP- Radiator panel

Safety spare parts

<u>Part number</u>	<u>Description</u>	
MS325-12.5+HK11	CIRCUIT BREAKER MS325-12.5+HK11	4
OA1G10	AUXILIARY CONTACT	4
S201-C4	MCB S201-C4	4
S2CH6R	AUXILIARY CONTACT S2C-H6R	4
SK3110	THERMOSTAT SK 3110	4
SK311650120W	HEATER SK3116; 50/120W	4
SK3322107	FILTER FAN SK 3322.107	4
SK3322207	OUTLET FILTER SK 3322.207	4
Number of different parts		8

System

2xElectrical System-CFA- Control- system

Safety spare parts

<u>Part number</u>	<u>Description</u>	
14 ACO13000	ANALOG OUTPUT 140 ACO 130 00; 8 CHANNELS, 24VDC	1
140 CPS 511 00	CPU 140 CPS 511 00 125VDC 3A	1
140 CPU 434 12A	CPU 140 CPU 434 12A	1
140ACO02000	ANALOG OUTPUT 140 ACO 020 00; 4 CHANNELS, 24VDC	1
140ARI03010	ANALOG INPUT 140 ARI 030 10	1
140ATI03000	THERMOCOUPLE INPUT 140 ATI 030 00 8 CHANNELS	1
140AVI03000	ANALOG INPUT 140 AVI 030 00; 8 CHANNELS	1
140CPS52400	POWER SUPPLY 140 CPS 524 00	1
140CRA93100	RIO DROP MODULE 140 CRA 931 00	1
140CRP93100	RIO HEAD MODULE 140 CRP 931 00	1
140DDI35300	DIGITAL INPUT 140 DDI 353 00	1
140DDO35300	DIGITAL OUTPUT 140 DDO 353 00	1
140NOE77101	ETHERNET CARD 140 NOE 771 01	1
140XTS00200	TERMINAL STRIP 140 XTS 002 00	1
140XTS00200IO	TERMINAL STRIP 140 XTS 002 00 FOR I/O	1
2FTQ96-X	DOUBLE FREQUENCY METER 2FTQ96-X	1
952RG0D24VDC	POSITION INDICATOR 952RG0D 24VDC	3
AVK9020B	PANEL LIGHT AVK 9020B	1

Exhibit 14 - Safety Spare Parts List
City of Denton

C60N1PC0,5OF	MCB C60N 1P C0,5; OF	2
C60N1PC1OF	MCB C60N 1P C1; OF	1
C60N1PC2OF	MCB C60N 1P C2; OF	1
C60N2PC0,5OF	MCB C60N 2P C0,5; OF	1
C60N2PC2OF	MCB C60N 2P C2; OF	1
C60N2PC4OF	MCB C60N 2P C4; OF	1
C60N2PC6OF	MCB C60N 2P C6; OF	1
CSQ-3	SYNCH.SCOPE CSQ-3 100V-127 VAC	1
DQ96-C	RPM-METER DQ96-C	1
DQ96-XACTI	ACTIVE POWER METER DQ96-X	1
DQ96-XPOWE	POWER FACTOR METER DQ96-X	1
DQ96-XREAC	REACTIVE POWER METER DQ96-X	1
EQ96-XCURR	CURRENT METER EQ96-X	1
EQ96-XVOLT	VOLTMETER EQ96-X	1
FAS115DG	AUTO-SYNCHRONIZER FAS-115DG	1
FCA16I116	INPUT MODULE FCA 16I (1-16)	1
FCA16I1732	INPUT MODULE FCA 16I (17-32)	1
FL-SWITCH 8TX	FL-SWITCH SF 8TX	1
FLSWITCHSF16TX	FL SWITCH SF 16TX	1
FTQ96-X	FREQUENCY METER FTQ96-X	1
HP21220313	ALARM HORN HP-21220313 24VDC	1
JSBRT1124VDC	SAFETY RELAY JSBRT11 24VDC	2
MT321110	DC-AUXILIARY RELAY MT 321110 110 VDC	1
P22061049219M1	SWITCH P220-61049-219M1; ENG., TURBO A, TURBO B	1
P22061312219M1	SWITCH P220-61312-219M1; 0, L1-L2, L2-L3, L3-L1	1
PT3P7615115VAC	AC-AUXILIARY RELAY PT 3P7615 115 VAC	5
PT5D7110110VDC	DC-AUXILIARY RELAY PT 5D7110 110 VDC	10
QUINTPS100240	DC/DC CONVERTER QUINT-PS; -100-240VAC/24VDC/5	1
ROM16CBK101K116	OUTPUT MODULE ROM16CB K101-K116	1
ROM16CBK117K132	OUTPUT MODULE ROM16CB K117-K132	1
S504-100-C	TUBE FUSE S504-100-C 100MA	20
SF1258101	ALARM BLINK SF-125-81-01 24VDC	1
SK 3116	HEATER SK3116 50/120W	1
SK 3325.107	FILTER FAN SK 3325.107 230 V	1
SK 3325.207	FILTER SK 3325.207	1
SK3110	THERMOSTAT SK 3110	1
TU2R3	TIME RELAY TU2R3, 12-240VAC/DC	1
VAMP 210-5A7AAA	GENERATOR PROTEC. RELAY VAMP 210-5A7AAA	1
VAMP 260-5C7AAA	PMU VAMP 260-5C7AAA 40-265VAC/VDC	1
VAMP 265-5A7AAA	GENERATOR DIFF. RELAY VAMP 265-5A7AAA	1
VX003-3	CABLE VX003-3	1
WDK4N1D	DIODE TERMINAL WDK 4N1D (856966)	10
WDU4	TERMINAL WDU 4	50
WSI6	TUBE FUSE TERMINAL WSI 6	20
WTL61STB	CONTACT BLOCK WTL-6/1/STB	20
ZB5-AS844	EMERGENCY STOP BUTTON ZB5-AS844; ZB5-AZ104; ZH	1
ZB5AA1	PUSH BUTTON ZB5-AA1	1
ZB5AA3	PUSH BUTTON ZB5-AA3	1
ZB5AA8234	DOUBLE PUSH BUTTON ZB5-AA8234; ZB5-AZ103	1
ZB5AD2	SWITCH HANDLE ZB5-AD2	1
ZB5AD3	SWITCH HANDLE ZB5-AD3	1
ZB5AD5	SWITCH HANDLE ZB5-AD5	1
ZB5AK1413	SWITCH HANDLE ZB5-AK1413	1
ZB5AW0B11	PUSH BUTTON ZB5-AW0B11	1
ZB5AW313	PUSH BUTTON ZB5-AW313	1

**Exhibit 14 - Safety Spare Parts List
City of Denton**

ZB5AZ101	BODY ZB5-AZ101	1
ZB5AZ103	BODY ZB5-AZ103	1
ZB5AZ105	BODY ZB5-AZ105	1
ZBE-101	CONTACT BLOCK ZBE-101	1

Number of different parts

77

System

12xElectrical System-CFC- Control- system

Safety spare parts

<u>Part number</u>	<u>Description</u>	
140ACO02000	ANALOG OUTPUT 140 ACO 020 00; 4 CHANNELS, 24VDC	1
140CPS52400	POWER SUPPLY 140 CPS 524 00	1
140CPU65150	CPU 140 CPU 651 50	1
140CRP93100	RIO HEAD MODULE 140 CRP 931 00	1
140DDI35300	DIGITAL INPUT 140 DDI 353 00	2
140DDO35300	DIGITAL OUTPUT 140 DDO 353 00	1
140NOE77101	ETHERNET CARD 140 NOE 771 01	1
140XTS00200	TERMINAL STRIP 140 XTS 002 00	1
1SNA631025R1400	DIGITAL INPUT MODULE BOM-16-B; 1SNA631025R1400	2
BE913800/110	VOLTAGE METER BE96; 13800/110V; 0-20KV	1
BE96	RPM- METER BE96; 4-20MA, 0-1000 RPM, 0-30000 RPM	1
BE9642005105	POWER FACTOR METER BE96; 4-20MA= 0,5-1-0,5CAP-IN	1
BE96420MA4016	REACTIVE POWER METER BE96; 4-20MA= -4-0-16 MVAR	1
BE96420MA=0-20	ACTIVE POWER METER BE96; 4-20MA = 0-20MW	1
BE9655-65HZ110	FREQUENCY METER BE96; 110V; 55-65HZ	1
BE96;1000/5A	CURRENT METER BE96; 1000/5A, 1000/2000A	1
E27240V60W	BULB E27; 240V 60W	1
GARDOMAX60W	PANEL LIGHT GARDOMAX; MAX 60W	1
P22061049219M1	SWITCH P220-61049-219M1; ENG., TURBO A, TURBO B	1
P22061312219M1	SWITCH P220-61312-219M1; 0, L1-L2, L2-L3, L3-L1	1
PT3P7615115VAC	AC-AUXILIARY RELAY PT 3P7615 115 VAC	1
PT5D7110110VDC	DC-AUXILIARY RELAY PT 5D7110 110 VDC	7
QUINTPS1AC24DC5	DC POWER SUPPLY QUINT-PS/1AC/24DC/5	1
S201-C1	MCB S201-C1	2
S202-C 2	MCB S 202-C 2	2
S202-C4	MCB S202-C4	2
S2C-H6R	AUXILIARY CONTACT S 2C-H6R	2
S506100RB100MA	TUBE FUSE S506-100-R-B; 100MA, 5X20MM	10
SK311650120W	HEATER SK3116; 50/120W	1
VAMP2105A7AHC	GENERATOR PROTECTION RELAY VAMP 210-5A7AHC	1
VAMP2605C7AHC	PMU VAMP 260-5C7AHC	1
VAMP2655A7AHC	GENERATOR DIFFERENTIAL RELAY VAMP 265-5A7AHC	1
WDU4	TERMINAL WDU 4	50
WTL 6/1 EN STB	TERMINAL WTL 6/1/ EN STB	20
XRFE16124	DIGITAL RELAY OUTPUT MODULE XRFE16124	1
ZB5AS844REDZB5	EMERGENCY STOP BUTTON ZB5-AS844; ZB5-AZ104; ZH	1

Number of different parts

36

Exhibit 14 - Safety Spare Parts List
City of Denton

System

12xGas System-Compact gas ramp

Safety spare parts

<u>Part number</u>	<u>Description</u>	
1161771040	FILTER ELEMENT FOR FF1040 FILTER	2
916045044	GASKET SET FOR FF1040 FILTER	1
GE00077X012	GASKET SET FOR GX DN25	1
GE00080X012	GASKET SET FOR GX DN80	1
RGXPACKX012	REPAIR KIT DN25-50	1
RGXPACKX022	PACKING KIT FOR GX DN80	1
Number of different parts		6

System

12xGenerator-Flexible coupling

Safety spare parts

<u>Part number</u>	<u>Description</u>	
SPG412747	MIN. SPARE PART SET FOR BC140/25/62H	1
Number of different parts		1

System

12xGenerator-Generator

Safety spare parts

<u>Part number</u>	<u>Description</u>	
9893309	SPARE PARTS PACKAGE	1
Number of different parts		1

System

2xLube Oil System - Lube Oil unit-QAE Lube oil transfer pump unit, station

Safety spare parts

<u>Part number</u>	<u>Description</u>	
6204-2Z/C3	BEARING 6204-2Z/C3	1
6305-2Z/C3	BEARING 6305-2Z/C3	1
D20157050	MINOR KIT G053 FOR ACE 038N3 XVXX	1
D20157070	VALVE ELEMENT G070 FOR ACE 038N3 XXXP	1
D20157100	ROTOR SET G012 FOR ACE 038N3	1

Exhibit 14 - Safety Spare Parts List
City of Denton

Number of different parts

5

System

12xLube Oil System - Lube Oil unit-QBF Oil mist separator

Safety spare parts

<u>Part number</u>	<u>Description</u>	
578628-01	SERVICE KIT 1	1
578628-02	SERVICE KIT 2	1
578628-05	SERVICE KIT 4	1

Number of different parts

3

System

12xLube Oil System - Lube Oil unit-QEA/ MOD modules

Safety spare parts

<u>Part number</u>	<u>Description</u>	
1345456	FILTER ELEMENT FOR 6.46 DN150	22
30840058	FLOW GASKET FOR HEAT EXCHANGER APV A085	4
30840059	END GASKET FOR HEAT EXCHANGER APV A085	4
330 042	FINE FILTER G5XP4-D	2
3839377	GASKET SET FOR 6.46 DN150	2
46363X002	SERVICE KIT FOR ACTUATOR	2
47961X106	SERVICE KIT FOR VALVE AMOT TYPE 6G	2
6210-C3	BEARING 6210/C3	1
6312-C3	BEARING 6312/C3	1
8064C00AA	I/P CONVERTER 8064C00-AA	2
D20118014	ROTOR SET G012 FOR ACF 110L4	1
D20118018	VALVE ELEMENT G057 FOR ACF 110L4	1
D20118035	MINOR KIT G053 FOR ACF 110L4	1
E1285555	FLEXIBLE COUPLING E128/55/55	1
L-32A/2	GASKET SET FOR L-32A/2	1
LT-50B/2	GASKET SET FOR LT-50B/2 (Ø100)	1
P20008000	PRESSURE GAUGE	4
P20009000	PRESSURE GAUGE	4
T20014000	THERMOMETER 0-120 C	4
T40008000	TEMPERATURE SENSOR MB286T125U	1

Number of different parts

20

System

2xLube Oil System - Lube Oil unit-QLC Lube oil transfer pump unit, mobile

Safety spare parts

<u>Part number</u>	<u>Description</u>
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Exhibit 14 - Safety Spare Parts List
City of Denton

6204-2Z/C3	BEARING 6204-2Z/C3	1
6305-2Z/C3	BEARING 6305-2Z/C3	1
D20157050	MINOR KIT G053 FOR ACE 038N3 XVXX	1
D20157070	VALVE ELEMENT G070 FOR ACE 038N3 XXXP	1
D20157100	ROTOR SET G012 FOR ACE 038N3	1
<hr/>		
Number of different parts		5

Exhibit 15A – Form of Partial Lien Waiver

CONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT

Project: Denton Energy Center

On receipt by the signer of this document of a check from _____ (maker of check) in the sum of \$ _____ payable to _____ (payee or payees of check) and when the check has been properly endorsed and has been paid by the bank on which it is drawn, this document becomes effective to release any mechanic's lien right, any right arising from a payment bond that complies with a state or federal statute, any common law payment bond right, any claim for payment, and any rights under any similar ordinance, rule, or statute related to claim or payment rights for persons in the signer's position that the signer has on the property of _____ (owner) located at _____ (location) to the following extent: _____ (job description).

This release covers a progress payment for all labor, services, equipment, or materials furnished to the property or to _____ (person with whom signer contracted) as indicated in the attached statement(s) or progress payment request(s), except for unpaid retention, pending modifications and changes, or other items furnished.

Before any recipient of this document relies on this document, the recipient should verify evidence of payment to the signer.

The signer warrants that the signer has already paid or will use the funds received from this progress payment to promptly pay in full all of the signer's laborers, subcontractors, materialmen, and suppliers for all work, materials, equipment, or services provided for or to the above referenced project in regard to the attached statement(s) or progress payment request(s).

This document and any attachments thereto may contain information that is confidential, commercially-sensitive, proprietary, and/or public power utility competitive and financial information in accordance with the provisions of Texas Government Code, Section 552.101, 552.104, 552.110 and/or 552.133, and may be protected from required public disclosure.

Date _____

(Company name)

By _____
(Signature)

(Title)

STATE OF TEXAS §
COUNTY OF _____ §

ACKNOWLEDGED, SUBSCRIBED AND SWORN TO BEFORE ME, by
_____ who is the _____ of _____ on this
the _____ day of _____, 20____.

Notary Public In and For
The State of Texas

This document and any attachments thereto may contain information that is confidential, commercially-sensitive, proprietary, and/or public power utility competitive and financial information in accordance with the provisions of Texas Government Code, Section 552.101, 552.104, 552.110 and/or 552.133, and may be protected from required public disclosure.

NOTICE: THIS DOCUMENT WAIVES RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. IT IS PROHIBITED FOR A PERSON TO REQUIRE YOU TO SIGN THIS DOCUMENT IF YOU HAVE NOT BEEN PAID THE PAYMENT AMOUNT SET FORTH BELOW. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL RELEASE FORM.

UNCONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT

Project _____

Job No. _____

The signer of this document has been paid and has received a progress payment in the sum of \$ _____ for all labor, services, equipment, or materials furnished to the property or to _____ (person with whom signer contracted) on the property of _____ (owner) located at _____ (location) to the following extent: _____ (job description). The signer therefore waives and releases any mechanic's lien right, any right arising from a payment bond that complies with a state or federal statute, any common law payment bond right, any claim for payment, and any rights under any similar ordinance, rule, or statute related to claim or payment rights for persons in the signer's position that the signer has on the above referenced project to the following extent:

This release covers a progress payment for all labor, services, equipment, or materials furnished to the property or to _____ (person with whom signer contracted) as indicated in the attached statement(s) or progress payment request(s), except for unpaid retention, pending modifications and changes, or other items furnished.

This document and any attachments thereto may contain information that is confidential, commercially-sensitive, proprietary, and/or public power utility competitive and financial information in accordance with the provisions of Texas Government Code, Section 552.101, 552.104, 552.110 and/or 552.133, and may be protected from required public disclosure.

The signer warrants that the signer has already paid or will use the funds received from this progress payment to promptly pay in full all of the signer's laborers, subcontractors, materialmen, and suppliers for all work, materials, equipment, or services provided for or to the above referenced project in regard to the attached statement(s) or progress payment request(s).

Date _____

(Company name)

By _____
(Signature)

(Title)

STATE OF TEXAS §
COUNTY OF _____ §

ACKNOWLEDGED, SUBSCRIBED AND SWORN TO BEFORE ME, by
_____ who is the _____ of _____ on this
the _____ day of _____, 20____.

Notary Public In and For
The State of Texas

This document and any attachments thereto may contain information that is confidential, commercially-sensitive, proprietary, and/or public power utility competitive and financial information in accordance with the provisions of Texas Government Code, Section 552.101, 552.104, 552.110 and/or 552.133, and may be protected from required public disclosure.

Exhibit 15B – Form of Final Lien Waiver

CONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT

Project _____

Job No. _____

On receipt by the signer of this document of a check from _____ (maker of check) in the sum of \$ _____ payable to _____ (payee or payees of check) and when the check has been properly endorsed and has been paid by the bank on which it is drawn, this document becomes effective to release any mechanic's lien right, any right arising from a payment bond that complies with a state or federal statute, any common law payment bond right, any claim for payment, and any rights under any similar ordinance, rule, or statute related to claim or payment rights for persons in the signer's position that the signer has on the property of _____ (owner) located at _____ (location) to the following extent: _____ (job description).

This release covers the final payment to the signer for all labor, services, equipment, or materials furnished to the property or to _____ (person with whom signer contracted).

Before any recipient of this document relies on this document, the recipient should verify evidence of payment to the signer.

The signer warrants that the signer has already paid or will use the funds received from this final payment to promptly pay in full all of the signer's laborers, subcontractors, materialmen, and suppliers for all work, materials, equipment, or services provided for or to the above referenced project up to the date of this waiver and release.

This document and any attachments thereto may contain information that is confidential, commercially-sensitive, proprietary, and/or public power utility competitive and financial information in accordance with the provisions of Texas Government Code, Section 552.101, 552.104, 552.110 and/or 552.133, and may be protected from required public disclosure.

Date _____

(Company name)

By _____
(Signature)

(Title)

STATE OF TEXAS §
COUNTY OF _____ §

ACKNOWLEDGED, SUBSCRIBED AND SWORN TO BEFORE ME, by
_____ who is the _____ of _____ on this
the _____ day of _____, 20____.

Notary Public In and For
The State of Texas

This document and any attachments thereto may contain information that is confidential, commercially-sensitive, proprietary, and/or public power utility competitive and financial information in accordance with the provisions of Texas Government Code, Section 552.101, 552.104, 552.110 and/or 552.133, and may be protected from required public disclosure.

NOTICE: THIS DOCUMENT WAIVES RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. IT IS PROHIBITED FOR A PERSON TO REQUIRE YOU TO SIGN THIS DOCUMENT IF YOU HAVE NOT BEEN PAID THE PAYMENT AMOUNT SET FORTH BELOW. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL RELEASE FORM.

UNCONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT

Project _____

Job No. _____

The signer of this document has been paid in full for all labor, services, equipment, or materials furnished to the property or to _____ (person with whom signer contracted) on the property of _____ (owner) located at _____ (location) to the following extent: _____ (job description).

The signer therefore waives and releases any mechanic's lien right, any right arising from a payment bond that complies with a state or federal statute, any common law payment bond right, any claim for payment, and any rights under any similar ordinance, rule, or statute related to claim or payment rights for persons in the signer's position.

The signer warrants that the signer has already paid or will use the funds received from this final payment to promptly pay in full all of the signer's laborers, subcontractors, materialmen, and suppliers for all work, materials, equipment, or services provided for or to the above referenced project up to the date of this waiver and release.

This document and any attachments thereto may contain information that is confidential, commercially-sensitive, proprietary, and/or public power utility competitive and financial information in accordance with the provisions of Texas Government Code, Section 552.101, 552.104, 552.110 and/or 552.133, and may be protected from required public disclosure.

Date _____

(Company name)

By _____
(Signature)

(Title)

STATE OF TEXAS §
COUNTY OF _____ §

ACKNOWLEDGED, SUBSCRIBED AND SWORN TO BEFORE ME, by
_____ who is the _____ of _____ on this
the _____ day of _____, 20____.

Notary Public In and For
The State of Texas

This document and any attachments thereto may contain information that is confidential, commercially-sensitive, proprietary, and/or public power utility competitive and financial information in accordance with the provisions of Texas Government Code, Section 552.101, 552.104, 552.110 and/or 552.133, and may be protected from required public disclosure.

Exhibit 16 - Form of Mechanical Completion Certificate

MECHANICAL COMPLETION CERTIFICATE

DATE: _____

1. Buyer has delivered this form, completed except for signature by Supplier, to Supplier's duly authorized representative on the above date. Capitalized terms used herein have the meanings set forth in the Equipment Purchase Contract, dated as of September 13, 2016 (the "Agreement"), by and between The City of Denton, TX, as buyer ("Buyer"), and Wärtsilä North America, Inc., as supplier ("Supplier").
2. Pursuant to Section 5.3.1 of the Agreement, Buyer certifies and represents that the following statements are true as of the date set forth above for Generator Set serial numbers: _____
 - i. the Generator Sets have been installed on their respective foundations and have been connected to all such other equipment as required by way of piping, wiring, controls and safety systems, with confirmation that all balance of plant equipment necessary to supply or receive ammonia, water, lube oil and electricity from these systems has been installed and is functional;
 - ii. the Generator Sets control systems have been installed and checked out to verify functionality;
 - iii. as regards to the components comprising each Generator Sets, the following has occurred:
 1. all alignment of piping and mechanical equipment has been verified;
 2. all wiring of components for power and control is complete and all testing thereof complete, with confirmation that the same is functional;
 3. all electrical signals have been point-to-point checked to verify that such equipment and operating systems have been correctly installed and verified to respond to simulated test signals equivalent to actual signals received during operation;

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4. all systems have been hydrostatically tested; and flushed (as directed by Supplier);
 5. all such components have been individually cleaned, leak checked, lubricated;
 6. all initial fills have been completed;
 7. all instruments have been calibrated;
 8. all relays have been set;
 9. all equipment has been checked out;
 10. all ground checks have been made;
 11. all motor rotation checks are complete;
 12. the Generators have been correctly connected with the Buyer's transmission system, including verification of correct phasing; and
 - iv. all utilities and services are in place to permit safe full load operation of the Generator Sets, and the Generator Sets are ready for initial Start-Up operation, and may be so operated in accordance with any applicable Laws and Prudent Electrical Practices, without damage thereto or to any other property and without injury to any person.
 - v. all plant systems and subsystems have been installed, the equipment and systems included therein can be operated in a manner that does not void any Suppliers or Subsupplier system warranty and Buyer has made the Generator sets available for synchronization;
3. The person signing below is authorized to submit this form to Supplier for and on behalf of Buyer.

This document and any attachments thereto may contain information that is confidential, commercially-sensitive, proprietary, and/or public power utility competitive and financial information in accordance with the provisions of Texas Government Code, Section 552.101, 552.104, 552.110 and/or 552.133, and may be protected from required public disclosure.

BUYER

By: _____
Name: _____
Title: _____

Supplier to cross through one (1) of the following statements:

- A. Supplier agrees that Mechanical Completion (pursuant to Section 5.3.1) has been achieved. Mechanical Completion was achieved on the date first written above and is effective as of that date.
- B. Supplier does not agree that Mechanical Completion (pursuant to Section 5.3.1) has been achieved as set forth due to reasons listed below:

WÄRTSILÄ NORTH AMERICA, INC.

By: _____ Date: _____
Name: _____
Title: _____

This form must be signed by the person authorized to sign this Mechanical Completion Certificate for and on behalf of Supplier.

This document and any attachments thereto may contain information that is confidential, commercially-sensitive, proprietary, and/or public power utility competitive and financial information in accordance with the provisions of Texas Government Code, Section 552.101, 552.104, 552.110 and/or 552.133, and may be protected from required public disclosure.

Exhibit 17- Form of Final Completion Certificate

FINAL COMPLETION CERTIFICATE

Wärtsilä North America, Inc. ("Supplier"), under the Equipment Supply Contract, dated September 13, 2016 ("Agreement"), between Supplier and City of Denton ("Buyer"), hereby certifies that:

1. The Equipment has successfully completed all Performance Tests in accordance with the Final Test Procedure, and Supplier has submitted to Buyer the Performance Tests' raw data and applicable reports confirming the foregoing;
2. Supplier acknowledges and agrees that [**select one:** Performance Liquidated Damages in the amount of \$[] are due and payable by Supplier to Buyer as of the date hereof and shall be paid or offset in accordance with the Agreement **or** no Performance Liquidated Damages are due and payable by Supplier to Buyer as of the date hereof]; and
3. [**select one:** Supplier has received any Performance Bonus Payments due and payable by Buyer to Supplier under this Agreement **or** Supplier acknowledges and agrees that no Performance Bonus Payments due and payable by Buyer to Supplier under this Agreement]; and
4. Supplier has delivered to Buyer all final conditional lien waivers and releases related to the Work to date for which Buyer has been invoiced.

Capitalized terms used herein and not defined herein shall have the respective meanings assigned to them in the Agreement.

IN WITNESS WHEREOF, Supplier has executed and delivered this Final Completion Certificate through its duly authorized representative as of the ____ day of _____, 20__.

WÄRTSILÄ NORTH AMERICA, INC.

By: _____
Name:
Title:

This document and any attachments thereto may contain information that is confidential, commercially-sensitive, proprietary, and/or public power utility competitive and financial information in accordance with the provisions of Texas Government Code, Section 552.104, 552.110 and/or 552.133, and may be protected from required public disclosure.

Buyer to cross through one (1) of the following statements:

- A. Buyer agrees that Final Completion was achieved on the date first written above and is effective as of that date.
- B. Buyer does not agree that Final Completion has been achieved as set forth herein due to reasons listed in **Attachment A** hereto:

BUYER

By: _____
Name: _____
Title: _____

Date: _____

This form must be signed by the person authorized to sign this Final Completion Certificate for and on behalf of Buyer.

This document and any attachments thereto may contain information that is confidential, commercially-sensitive, proprietary, and/or public power utility competitive and financial information in accordance with the provisions of Texas Government Code, Section 552.104, 552.110 and/or 552.133, and may be protected from required public disclosure.