



*Appendix B-3
Term Sheet for Asset Acquisition
Agreements*

2024 Request for Proposals

for

*Energy and Capacity from Existing
Generation Resources*

for

Entergy Mississippi, LLC

Entergy Services, LLC
May 1, 2024

Term Sheet for Asset Acquisitions

The following bid submission term sheet (this “**Term Sheet**”) describes certain terms and conditions of a potential Definitive Agreement (defined below) between Buyer and the seller specified by the applicable bidder (“**Bidder**”) in Bidder’s proposal submitted in the RFP (“**Seller**” and, together with Buyer (defined below), the “**Parties**”) for the purchase by Buyer of a natural gas-fired generation resource (or portion thereof) meeting the requirements of the RFP and related assets. The terms set forth in this Term Sheet will establish the basis for the negotiation and execution of a definitive acquisition agreement between Buyer and each Seller whose proposal is selected by Entergy Services, LLC (“**ESL**”), for contract negotiations (the “**Definitive Agreement**”), with necessary changes to accurately reflect any special exceptions set forth in Bidder’s proposal that are accepted by Buyer in its sole and absolute discretion. Buyer will provide the initial draft of the Definitive Agreement to the selected Bidder (if any) at the beginning of contract negotiations.

If Bidder is unable or unwilling to accept one or more of the terms and conditions set forth in this Term Sheet or wishes to propose any alternate or additional terms or conditions, Bidder should indicate in the “Special Exceptions” section of its Proposal Package (i) the terms and conditions to which Bidder takes exception, describing with specificity any terms and conditions that Bidder proposes in substitution therefor, and/or (ii) the additional terms and conditions that Bidder proposes as a supplement to the terms and conditions in this Term Sheet. Bidder is advised to refer to Section 2.4 in the Main Body for additional requirements and information pertaining to special exceptions. The term “including” in this Term Sheet will be construed to mean “including, without limitation.”

	Proposal Term	Description of Proposal Term
1	Product Description:	The product described in this Term Sheet is designated as the “ Asset Acquisition – Existing Resource Product. ” This product provides for flexible generation capacity with a minimum of 50 MW (Summer Conditions, at full load, including duct-firing if included as part of the facility) from a designated natural gas-fired generation resource capable of meeting the requirements of this product (the “ Facility ”), as set forth herein and in the RFP.
2	Buyer:	“ Buyer ” will be Entergy Mississippi, (“ EML ”) or its designee. For purposes of the RFP and the Definitive Agreement, Buyer will be considered an entity entirely separate and distinct from any Entergy transmission organization, and, without limiting the foregoing, the acts and omissions of any Entergy transmission organization will not be deemed to be acts and omissions of Buyer for any purpose arising out of or relating to the RFP or the Definitive Agreement. The Definition Agreement for the proposed transaction will be an asset purchase agreement.
3	Seller:	“ Seller ” will be the party specified by Bidder in the applicable proposal.
4	Facility:	The “ Facility, ” including the nameplate capacity and major equipment, will be as specified by Bidder in the applicable proposal.
5	Electric Inter-connection/	The “ Electric Interconnection Point ” will be the point located in MISO South Transmission System within LRZ 10 as specified by Bidder in the

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Transmission Service:	<p>applicable proposal where the Facility interconnects to the host utility’s transmission system in MISO (and represented by a CP Node). The Electric Interconnection Point must be consistent with Bidder’s existing GIA for the Facility. Seller will be responsible for (and bear the full costs and risks of) the arrangement, procurement, receipt, and maintenance through the Closing of the interconnection, deliverability, and transmission facilities of Seller and service required for the Facility, including (i) for the electric interconnection of the Facility to the host utility transmission system and maintenance of the Electric Interconnection Point and (ii) the transfer and delivery of capacity, energy, and other electric products to, and the injection of energy and other electric products at, the Electric Interconnection Point prior to the Closing. Without limiting the foregoing, Seller will bear (a) all related interconnection, deliverability, or transmission request, application, study, registration, and comparable fees, charges, or costs (applicable if the selected proposal forming the basis for the asset purchase Definitive Agreement is a NITS Proposal (as defined and generally described in Section 2.6.1 of the RFP)), (b) all upgrade, improvement, and other fees, charges, and costs arising out of the requested interconnection, deliverability, or transmission service, except to the extent stated to be the exclusive responsibility and cost of the host utility (as the host utility and not the NITS requestor) or an applicable transmission provider, transmission owner, or Balancing Authority under the applicable tariffs, rules, regulations, or requirements of, or generator interconnection or other agreements with, the host utility or such transmission provider, transmission owner, or Balancing Authority (applicable if the selected proposal forming the basis for the asset purchase Definitive Agreement is a NITS Proposal (as defined in the RFP)), (c) the fees, charges, and costs to receive interconnection, deliverability, transmission, or, if applicable, financial settlement service prior to the Closing, (d) all transformer, line, energy, capacity, and other losses or costs related to the interconnection, deliverability, transmission, or, if applicable, financial settlement service with respect to the Facility prior to the Closing, and (e) all costs assigned or allocated to Seller or, if applicable, to a financially settling party under the applicable tariffs, rules, regulations, or requirements of, or agreements with, the host utility, transmission provider, transmission owner, or any applicable Balancing Authority. As part of its responsibilities under this item 5, Seller will be required to have recognition by MISO and other applicable balancing authorities of (i) the Facility as a separate generating resource at the Electrical Interconnection Point, including for settlement, scheduling, offering, and bidding purposes, and (ii) the Electrical Interconnection Point as a separate (and the exclusive) CP Node for the Facility (collectively, the “Required Facility Recognition”). In addition, the Facility will be required to have energy resource interconnection service (“ERIS”) that equals or exceeds the rating of the Facility at 72.9° Fahrenheit, 72.4% relative humidity, and 14.6162 psia barometric pressure (“Winter Conditions”) (including duct-firing if included as part of the Facility) and</p>
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		<p>either network resource interconnection service (“NRIS”) or network integration transmission service (“NITS”) that, in either case, equals or exceeds the rating of the Facility at 87.7° Fahrenheit, 72.9% relative humidity, and 14.5899 psia barometric pressure (“Summer Conditions”) (including duct-firing if included as part of the Facility), and full deliverability from the Facility to Buyer’s load at the NRIS or NITS level on a firm network resource basis for the life of the Facility and qualification and recognition by MISO of the Facility as a firm network resource and Capacity Resource (as defined in the MISO rules) with such level of deliverability (collectively, “Full Deliverability”).</p> <p>Seller will be responsible for causing Buyer to obtain all auction revenue right allocations, financial transmission or congestion rights, and other similar allocations and entitlements associated with the Facility, and, if requested by Buyer, will act (at Seller’s expense) at Buyer’s reasonable direction in connection therewith. Without limiting the foregoing, Seller will support fully, and not take any action or position to oppose or prevent, Buyer’s entitlement to or receipt of such allocations and entitlements.</p>
6	Purchased Assets:	<p>Buyer will acquire the Purchased Assets at the closing (if any) of the Transaction (the “Closing”). The “Purchased Assets” will include all right, title, and interest of Seller in the Facility and all related real and personal property assets, properties, and rights, of every kind and nature, relating to, used at, or held for use at the Facility, except those expressly excluded under the Definitive Agreement (the “Excluded Assets”). Examples of Purchased Assets include: all equipment, systems, parts, fixtures, goods, inventory (including capital and non-capital spares and fuel inventory), permits, books, records, documents, drawings (including AutoCAD), reports, logs, operating data, operating safety and maintenance manuals, inspection reports, registrations, engineering design plans, design drawings, blueprints, specifications and procedures and similar items, intellectual property rights, real property and related rights (including rights with respect to the Facility site, including leases, easements, licenses, and rights-of-way), water rights and contracts and fuel supply and transportation contracts and related entitlements, credits, or other rights, transmission, distribution, credits, or other rights, capacity credits and rights to any other capacity-related benefits, emissions allowances, environmental attributes, tax credits, abatements, and similar benefits, licenses, and contracts (including long-term service agreements) and unexpired warranties, indemnities, or guarantees relating to, generated by, used by or for, or held for use by or for, the Facility or the operation, maintenance, ownership, possession, use, replacement or repair thereof, <u>excluding</u> any of the foregoing that are Excluded Assets.</p>
7	Purchase Price:	<p>The purchase price for the Purchased Assets is expected to be based on the purchase price specified by Bidder in the applicable proposal. The purchase</p>

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		price will be subject to adjustment after execution of the Definitive Agreement due to (i) changes in inventory value from an agreed baseline value (including, without limitation, balance of plant inventory and capital spares), (ii) the proration of specified proratable items (e.g., property taxes, specified prepayments under project contracts acquired by Buyer at the Closing), (iii) the results of plant performance tests generally described in item 15 below, (iv) casualty events and material environmental conditions affecting the Facility or the Facility site, (v) amounts due but unpaid by Seller or Buyer as of the Closing, and (vi) other items specified in the Definitive Agreement (the “ Purchase Price ”).
8	Permitted Encumbrances:	Assuming occurrence of the Closing, Buyer will acquire the Purchased Assets free and clear of all encumbrances other than Permitted Encumbrances. “ Permitted Encumbrances ” means (i) liens for property taxes and other governmental charges not yet due and payable or the validity of which is being contested in good faith by appropriate proceedings described in a schedule attached to the Definitive Agreement, (ii) mechanics’, materialmens’, and other similar liens arising in the ordinary course of business by operation of law for sums not yet due and payable and that have not been filed of record (<u>provided</u> that, for any such lien from and after the Closing, Seller will be required to maintain (a) a bond covering such lien at a ten percent (10%) premium in accordance with law or otherwise in a manner reasonably satisfactory to Buyer or (b) full coverage under the title insurance policy provided by Seller to Buyer for the Facility), (iii) encumbrances described in a specific schedule attached to the Definitive Agreement and that will be and are discharged or released at or before the Closing, (iv) certain matters expressly identified on the title commitment to which Buyer does not object, and (v) certain liens expressly agreed to or waived in writing by Buyer.
9	Assumed and Excluded Liabilities:	Buyer will assume certain liabilities concerning the Purchased Assets upon the Closing (“ Assumed Liabilities ”). The Assumed Liabilities will include only specified liabilities in respect of the Purchased Assets that relate solely to the period after the Closing and are not the result of any act or omission of Seller, any predecessor or affiliate of Seller, or any third party occurring or accruing at or prior to the Closing. Seller will retain and have exclusive responsibility for all liabilities and obligations relating to the Purchased Assets or the conduct of business of Seller, any predecessor or affiliate of Seller, or any third party other than the Assumed Liabilities assumed by Buyer upon the Closing (such liabilities and obligations, the “ Excluded Liabilities ”).
10	Closing Date:	The Closing will occur (i) on the first business day of the first month following the month in which notice has been delivered to the other Party (subject to clause (ii)) stating that the last outstanding condition to the Closing, other than those conditions that by their nature are to be satisfied at the Closing, has been either satisfied or waived by the Party for whose benefit such condition exists,

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		or (ii) if the notice described in clause (i) is delivered to the other Party after the first ten (10) days of the applicable month, on the first day of the second month after such later date if such later date occurs (the “ Closing Date ”). The Closing will be deemed to occur at 11:59:59 p.m. (Eastern Standard Time) on the Closing Date.
11	Seller Representations and Warranties:	The representations and warranties (“ Representations ”) made by Seller in the Definitive Agreement will be customary for asset acquisitions of this type by Buyer, and will include, without limitation, Representations covering compliance with laws, litigation, real, leased, and personal property, contracts, permits, warranties, intellectual property, regulatory approvals and consents, condition and sufficiency of the Purchased Assets, load-following and performance capabilities of the Facility, environmental, tax, employee, and benefits matters, accounting matters, insurance, regulatory status, pipeline status, NERC compliance, absence of certain changes to the Purchased Assets and absence of unspecified liabilities, and diligence-related and other matters. Seller’s Representations in the Definitive Agreement, other than Seller’s “fundamental” and environmental Representations, will survive the Closing for a period of 24 months. Seller’s fundamental Representations (e.g., organization, existence, power, and authority; execution, delivery, and enforceability; no conflicts (as to organizational documents); real estate/real estate contracts, tangible personal property, contracts/warranties, and permits (all as to title); taxes; employment, labor, and employee benefit matters, title, financing encumbrances, brokers) will survive the Closing for the applicable statute of limitations plus 30 days thereafter. Seller’s environmental Representations will survive the Closing for a period of 36 months.
12	Buyer Representations and Warranties:	The Representations made by Buyer in the Definitive Agreement will be customary for asset acquisitions of this type by Buyer and will be limited to the organization, existence, and good standing of Buyer, execution and delivery by Buyer and enforceability of the Definitive Agreement, no violation of law, Buyer’s organizational documents, or other contracts, litigation, and Buyer’s regulatory approvals and consents. Buyer’s “fundamental” Representations will survive the Closing for the applicable statute of limitations plus 30 days thereafter. Buyer’s other Representations will survive the Closing for a period of 24 months.

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13	Covenants:	The covenants (including negative covenants) and agreements in the Definitive Agreement will be customary for asset acquisitions of this type by Buyer, and will include, without limitation, covenants and agreements covering Seller’s conduct and actions taken by Seller with respect to the Purchased Assets pending the Closing, Seller’s compliance with, or execution or modification of, contracts, regulatory approvals, transfers of permits, emission allowances and contracts, title to real and personal property, risk of loss, casualty events, and material environmental conditions, operation and maintenance obligations, insurance, taxes, employees and benefits, Seller’s non-solicitation obligations, notice and reporting obligations, maintenance of books/records, confidentiality and public announcements, removal of Excluded Assets and liens, developmental obligations, Buyer’s access to Seller’s books and records and periodic inspection rights, and technical or diligence-related matters.
14	Purchased Capacity:	The Capacity of the Facility at Summer Conditions is expected to be as specified by Bidder in the applicable proposal. For purposes of this item 14 and this Term Sheet (including the purchase price for the Purchased Assets and adjustments thereto), the Capacity of the Facility at Summer Conditions is the net electrical output that is capable of being delivered reliably at the Electric Interconnection Point at Summer Conditions. Seller shall be required to have at the Closing ERIS in an amount at least equal to the Capacity of the Facility at Winter Conditions and NRIS or NITS in an amount at least equal to the Capacity of the Facility at Summer Conditions (see item 5 above).

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15	Plant Performance Testing:	<p>The Definitive Agreement will provide for a test of the performance of the Facility, including the individual generating units, to be conducted, at Seller’s expense, to determine, in connection with the Closing. The test will cover (i) Guaranteed Capacity (including, if duct-firing is included as part of the Facility, tests of “Guaranteed Base Capacity” (100% of the Capacity of the Facility in Summer Conditions, in MW, without duct-firing) and “Guaranteed Duct-Firing Capacity” (100% of the capacity of the Facility in Summer Conditions, in MW, with duct-firing, less the Guaranteed Base Capacity), (ii) Guaranteed Heat Rate (HHV), (iii) specified emissions, (iv) operating ranges, and (v) other plant performance metrics and criteria set forth in the Definitive Agreement, including, without limitation, load-following capabilities, vibration levels, and diligence-related items. The results of the test of items (i) through (v) above will be compared against the corresponding values specified in the Definitive Agreement. The test will be conducted within a specified period prior to the target Closing Date pursuant to an agreed protocol. Subsequent tests may be required depending on the results of the previous performance test, intervening events or circumstances (e.g., major repairs to the Facility, material outages or mechanical issues, force majeure events), and/or modifications to the target Closing Date. Unless Buyer otherwise directs, each subsequent test will be performed by the contractor that performed the initial test. Final test results may give rise to a reduction in the Purchase Price or termination of the Definitive Agreement. Seller will not be entitled to any increase in the Purchase Price or any other compensation from Buyer if the test results indicate that performance for a particular metric or criteria is better than that required by the Definitive Agreement.</p> <p>The “Guaranteed Capacity” will be 100% of the Capacity of the Facility in Summer Conditions, in MW, as specified by Bidder in the applicable proposal. There will also be a “Minimum Capacity” and, if duct-firing is included as part of the Facility, a Minimum Base Capacity” and “Minimum Duct-Firing Capacity”, each of which will be as specified in the Definitive Agreement.</p> <p>The “Guaranteed Heat Rate” means the heat rate (expressed in Btu/kWh (HHV)) performance characteristics of the Facility that are guaranteed by Seller and are expected to be based on the Guaranteed Heat Rate curve or points specified by Bidder in the applicable proposal.¹</p> <p>The operating ranges of the Facility are expected to be as specified by Seller in the applicable proposal.</p> <p>The emission rates for NO_x, CO, SO₂, PM, PM10, ammonia, greenhouse gases and any other emission or pollutant specified in the Definitive Agreement for</p>
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¹ **NTD:** This Term Sheet assumes that if the Facility includes duct-firing, the size of the duct-firing capacity relative to the base capacity will be small. If the duct-firing capacity constitutes a sizable portion of Facility capacity, the Definitive Agreement may include a guaranteed heat rate for the duct-fired capacity and associated liquidated damages.

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		the Facility will be required to be within the limits specified in the applicable permits for the Facility and not to restrict ordinary operation of the Facility.
16	Buyer’s Closing Conditions:	Buyer’s obligation to Close the Transaction will be subject to the satisfaction or express waiver by Buyer of certain conditions to be specified in the Definitive Agreement and customary for asset acquisitions of this type by Buyer, including conditions related to federal (including Federal Energy Regulatory Commission), state (including Mississippi Public Service Commission), and, if applicable, local regulatory and governmental approvals (“ Regulatory Approvals ”), expiration or termination of waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (“ HSR Act ”), Buyer consents, the correctness of Seller’s Representations, performance of and compliance with Seller covenants, obligations, and agreements in the Definitive Agreement or Ancillary Agreements on or before the Closing, specified Seller certifications and documents and items, the absence of a material adverse effect with respect to Seller, title insurance, eminent domain, capacity accreditation (including the transfer of capacity credits to Buyer for the planning period in which the Closing occurs and, potentially, depending on the timing of the Closing relative to the MISO annual capacity auction, the following planning period (or a reduction in the Purchase Price based on the required capacity credits not provided by Seller to Buyer)), interconnection, deliverability, and transmission service (including firm network resource and deliverability qualifications and transmission and congestion rights), gas transportation service, the long-term service agreement(s) (“ LTSA ”) or similar maintenance agreement(s) for any of the Purchased Assets, the operation and maintenance agreement(s) for any of the Purchased Assets, plant performance test results, and credit support. There will be a defined period from the effective date of the Definitive Agreement for the Buyer closing conditions to be satisfied or waived.
17	Seller’s Closing Conditions:	Seller’s obligation to Close the Transaction will be subject to the satisfaction or express waiver, by Seller, of certain conditions to be specified in the Definitive Agreement, including, without limitation, conditions related to certain Regulatory Approvals, expiration or termination of waiting periods under the HSR Act, required Seller consents, the correctness of Buyer’s Representations, performance of and compliance with Buyer covenants, obligations, and agreements in the Definitive Agreement or Ancillary Agreements on or before the Closing, and specified Buyer certifications and documents and items.
18	Durability of Regulatory Approvals:	Seller will take the risk that a Regulatory Approval or expiration or termination of a waiting period under the HSR Act ceases to be valid and effective due to the lapse of time before the Closing and the risk of actions taken by the applicable governmental authority in connection with any new or supplemental filings to maintain any previously obtained approval for the transaction.

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19	Indemnification:	The Definitive Agreement will contain indemnification provisions customary for asset acquisitions of this type by Buyer and will include (i) an aggregate cap on the liabilities of Seller or Buyer for the inaccuracy or breach of any Representation of Seller or Buyer (other than a “fundamental” Representation), (ii) full indemnity protection (<i>i.e.</i> , the threshold and cap do not apply) for any and all liabilities and obligations retained by Seller or with respect to the breach of any covenant, agreement, or obligation by either Party or a “fundamental” Representation being incorrect or inaccurate, (iii) certain lien, intellectual property, hazardous materials, governmental fine and penalty indemnification by Seller, (iv) a provision entitling each Party to rely on the Representations, covenants, obligations, and agreements of the other Party notwithstanding any investigation or audit conducted (or that could have been conducted) or any information received or knowledge obtained (or that could have been received or obtained) or the decision of a Party to complete the Closing, and (v) any qualification or limitation set forth in a Representation, covenant, or agreement as to materiality or material adverse effect (or words of similar effect) contained therein will be disregarded for purposes of the indemnity.
20	Termination Rights:	The Definitive Agreement will include termination rights customary for acquisitions of this type by Buyer.
21	Long-Term Service Agreement:	From and after execution of a Definitive Agreement, Seller will not be permitted to enter into an LTSA or other applicable long-term maintenance agreement for equipment or systems under warranty with the original equipment or systems manufacturer and associated with the Purchased Assets that has an expiration date after the anticipated Closing date without Buyer’s prior written consent, which may be granted or withheld in Buyer’s sole and absolute discretion. Buyer reserves the right to reject or renegotiate any existing LTSA or other applicable long-term maintenance agreement for equipment or systems under warranty with the original equipment or systems manufacturer and associated with the Purchased Assets. Although Buyer may evaluate any such existing LTSA, Buyer will be under no obligation to assume any then-existing LTSA (in whole or in part) at the Closing, except if, as, and to the extent provided in the Definitive Agreement.
22	Operation & Maintenance Preparedness:	Seller will fully cooperate, and cause its Affiliates and third-party operators, contractors, and representatives to fully cooperate, with Buyer in order to enable Buyer (or any Affiliate, contractor, or representative of Buyer) to become reasonably familiar with the Purchased Assets as of the Closing and be in a reasonable position to operate and maintain the Purchased Assets immediately upon the Closing as a reasonable prudent operator of the Purchased Assets.

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23	Certain Transaction Expenses:	<p>Except as otherwise provided in the Definitive Agreement or a related agreement between the Parties, the Party incurring costs in connection with the Transaction will be responsible for paying them. The Definitive Agreement will allocate certain costs to a Party or the Parties. Transaction costs expressly allocated to Seller are expected to include (i) transfer, sales, use, and similar taxes (including with respect to the sale or purchase of any of the Purchased Assets), (ii) documentary, recording, contractual (including license), consent, and other conveyance or assignment charges, fees, and other costs related to the purchase and sale of the Facility and related assets (including permit transfer fees), (iii) survey, filing, and/or recording costs, fees, or similar charges with respect to the procurement of title insurance or the transfer of real property interests from Seller to Buyer, (iv) the cost of required endorsements to the title insurance, and (v) the amounts charged by the environmental consultant retained at Buyer's direction in connection with the environmental assessment required to be performed prior to execution of the Definitive Agreement or some defined date within three (3) months thereafter. Transaction costs expressly allocated to Buyer are expected to include, without limitation, (a) costs of preliminary title reports and/or commitments concerning the Purchased Assets and the title policy and (b) permit or emission allowance transfer or assignment fees or similar permit conveyance charges or costs, if any, including taxes. Seller and Buyer will each bear one-half of the amounts charged by the environmental consultant retained at Buyer's direction in connection with the final environmental assessment of the real property interests to be conveyed to Buyer at the Closing and the filing fee payable in connection with any notifications filed under the HSR Act with respect to the Transactions.</p>
24	Management Approval:	<p>The Definitive Agreement is subject to review and concurrence or approval, as applicable, by the corporate risk office of Entergy Corporation, the board of directors of Buyer, the executive and senior management of Entergy Corporation and Buyer, and such other approvals of Entergy Corporation and its affiliates as Buyer deems necessary or prudent in its sole and absolute discretion to enter into the Definitive Agreement and perform its obligations thereunder (on the terms set forth therein). Buyer will not execute or deliver the Definitive Agreement without such review and concurrence or approval, as applicable, and such concurrence or approval may be provided/granted or denied in each such body's sole and absolute discretion.</p>
25	Select Contract Terms and Conditions:	<p>The Definitive Agreement will also include, among other things, the following covenants, terms, and/or conditions:</p> <ul style="list-style-type: none"> • Seller will operate, maintain, manage, replace, repair, study, test, and otherwise use the Facility in accordance with (i) Seller's obligations in the Definitive Agreement, the Facility's interconnection agreements, and the other project documents, (ii) accepted electrical practices, and (iii) all

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		<p>applicable laws (including environmental laws), consents, and governmental approvals, including all applicable standards and guidelines adopted from time to time by governmental authorities (including NERC, SERC Reliability Corporation, any RTO, and any comparable third party with the right to impose on the Facility or Seller conditions or obligations having the effect of an applicable law or other binding legal requirement); and</p> <ul style="list-style-type: none"> • Seller will insure against all insurable risks with coverage in an amount not less than full replacement cost and on terms specified in the Definitive Agreement. 								
26	Credit Support:	<p>Seller will deliver to Buyer and maintain in favor of Buyer a letter of credit issued by a U.S. commercial bank or U.S. branch office of a foreign bank with (i) a local long-term issuer credit rating of “A-” or better by S&P and a senior unsecured long-term debt rating of “A3” or better by Moody’s (or, if the issuer has a local long-term issuer credit rating by S&P or a senior unsecured long-term debt rating by Moody’s, but not both, a local long-term issuer credit rating of “A-” or better by S&P or a senior unsecured long-term debt rating of “A3” or better by Moody’s) and (ii) total assets of at least \$10,000,000,000. Such letter of credit will secure Seller’s obligations under the Definitive Agreement and must be adjusted to equal the following amounts at each of the following adjustment dates, subject to the immediately following paragraph:²</p> <table border="1" data-bbox="488 1010 1463 1617"> <thead> <tr> <th data-bbox="488 1010 940 1066">Adjustment Date</th> <th data-bbox="940 1010 1463 1066">Amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="488 1066 940 1119">Closing</td> <td data-bbox="940 1066 1463 1119">15% of the unadjusted Purchase Price</td> </tr> <tr> <td data-bbox="488 1119 940 1465">12 months after the Closing</td> <td data-bbox="940 1119 1463 1465">10% of the unadjusted Purchase Price <u>plus</u> the amount of any pending claim of Buyer or its group, <u>provided</u> that such pending claims will not increase the required amount of the letter of credit above the required amount of the letter credit on the Closing date less any amounts drawn on such letter of credit after the Closing date</td> </tr> <tr> <td data-bbox="488 1465 940 1617">24 months after the Closing</td> <td data-bbox="940 1465 1463 1617">5% of the unadjusted Purchase Price <u>plus</u> the amount of any pending claim of Buyer or its group, <u>provided</u> that such pending claims will not increase</td> </tr> </tbody> </table>	Adjustment Date	Amount	Closing	15% of the unadjusted Purchase Price	12 months after the Closing	10% of the unadjusted Purchase Price <u>plus</u> the amount of any pending claim of Buyer or its group, <u>provided</u> that such pending claims will not increase the required amount of the letter of credit above the required amount of the letter credit on the Closing date less any amounts drawn on such letter of credit after the Closing date	24 months after the Closing	5% of the unadjusted Purchase Price <u>plus</u> the amount of any pending claim of Buyer or its group, <u>provided</u> that such pending claims will not increase
Adjustment Date	Amount									
Closing	15% of the unadjusted Purchase Price									
12 months after the Closing	10% of the unadjusted Purchase Price <u>plus</u> the amount of any pending claim of Buyer or its group, <u>provided</u> that such pending claims will not increase the required amount of the letter of credit above the required amount of the letter credit on the Closing date less any amounts drawn on such letter of credit after the Closing date									
24 months after the Closing	5% of the unadjusted Purchase Price <u>plus</u> the amount of any pending claim of Buyer or its group, <u>provided</u> that such pending claims will not increase									

² **NTD:** As detailed in Appendix E to the RFP, the credit support amounts to be supplied by Seller at the Closing and thereafter may also be provided in the form of a cash holdback of the Purchase Price or a combination of letter(s) of credit and a cash holdback. For simplicity, this Term Sheet assumes the liquid credit support will be provided in the form of a letter of credit.

The statements contained in this Appendix B-3 are made subject to the Reservation of Rights set forth in Appendix D of the RFP and the terms and acknowledgements set forth in the Proposal Submission Agreement.

Term Sheet for Asset Acquisitions

			the required amount of the letter of credit above the required amount of the letter credit on the 12-month anniversary of the Closing date less any amounts drawn on such letter of credit after the 12-month anniversary of the Closing date
		36 months after the Closing	<ul style="list-style-type: none"> • If there are no pending claims of Buyer or its group at such time, then the letter of credit will be returned to Seller. • If there are pending claims of Buyer or its group at such time, the letter of credit will be adjusted to the amount of such pending claims, <u>provided</u> that the required amount of the letter of credit will not exceed the required amount of the letter credit on the 24-month anniversary of the Closing date less any amounts drawn on such letter of credit after the 24-month anniversary of the Closing date
		Buyer will have no obligation to post any independent credit support to or in support of Seller or the Facility.	
27	Effect of Knowledge:	The right to indemnification, reimbursement, or other remedy based upon the representations, warranties, covenants, obligations, and agreements in the Definitive Agreement will not be affected by any information made available or furnished to, or any investigation or audit conducted (or that could have been conducted) by, any Party or any knowledge of any Party acquired at any time, whether before, on, or after the signing of the Definitive Agreement or the Closing, with respect to the transaction or the accuracy or inaccuracy of, or compliance or non-compliance with, any such representation, warranty, covenant, obligation, or agreement. Each Party will be entitled to rely upon the representations, warranties, covenants, obligations, and agreements of the other Party notwithstanding (i) any investigation or audit conducted (or that could have been conducted) by such Party or any information received by such Party before, on, or after the signing of the Definitive Agreement or Closing or (ii) the decision of such Party to complete the Closing.	
28	Confidentiality:	Each Party will be required to keep the terms and provisions of the Definitive Agreement confidential and prohibited from disclosing such terms to any third	

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Term Sheet for Asset Acquisitions

		party, subject to certain limited exceptions specified in the Definitive Agreement.
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