

LETTER AGREEMENT

[____], 2023

Central Coast Community Energy
70 Garden Court, Suite 300
Monterey, CA 93940
Email: [____]

California Community Choice Financing Authority
1125 Tamalpais Avenue
San Rafael, CA 94901
Email: [____]

Re: Prepay Limited Assignment Agreements

Ladies and Gentlemen:

This Letter Agreement (this “Letter Agreement” or this “Agreement”) confirms our mutual agreement with respect to the matters set forth below and relates to (a) those certain Limited Assignment Agreements listed on Exhibit A (the “Assignment Agreements”, which definitions shall include any new Assignment Agreements identified by J. Aron’s delivery of an updated Exhibit A consistent with Section 2), with each of the PPA Sellers identified in Exhibit A (each, individually, a “PPA Seller” and collectively the “PPA Sellers”, and which definitions shall include any new PPA Seller identified by J. Aron’s delivery of an updated Exhibit A consistent with Section 2) and (b) (i) that certain Clean Energy Purchase Contract (the “CEPC”), dated as of the date hereof, by and between California Community Choice Financing Authority (“Issuer”) and Central Coast Community Energy (“CCCE”), (ii) that certain Master Power Supply Agreement (the “MPSA”), dated as of the date hereof, by and between Aron Energy Prepay 22 LLC (“Prepay LLC”) and Issuer, and (iii) that certain Electricity Purchase, Sale and Service Agreement, dated as of the date hereof, by and between J. Aron & Company LLC (“J. Aron”) and Prepay LLC.

Any capitalized term used in this Letter Agreement and not otherwise defined herein shall have the meaning assigned to such term in the Clean Energy Purchase Contract. In consideration of each party’s execution of the Assignment Agreements, as well as the premises above and the mutual covenants and agreements set forth herein, J. Aron, Prepay LLC, CCCE and Issuer (collectively, the “Parties”) agree as follows:

1. **Assignment Early Termination.** Each of J. Aron and CCCE agrees that it shall only exercise its right to deliver a written notice of termination of an Assignment Period under an Assignment Agreement consistent with the following:

(a) Either J. Aron or CCCE may deliver a notice of termination in the event of (i) the suspension, expiration, or termination of performance of a PPA by either CCCE or the applicable PPA Seller; or (ii) the termination or suspension of deliveries for any reason other than force majeure under (A) that certain Clean Energy Purchase Contract (the “Clean Energy Purchase Contract”), dated as of [____], 2023 by and between CCCE and California Community Choice

Financing Authority (including, for the avoidance of doubt, due to a “Remarketing Election” by CCCE under Section 3.5 of the Clean Energy Purchase Contract) or (B) that certain Electricity Purchase, Sale and Service Agreement, dated as of [____], 2023 by and between J. Aron and Aron Energy Prepay 22 LLC (the “Electricity Sale and Service Agreement”);

(b) CCCE shall deliver a notice of termination contemporaneous with any assignment by CCCE of its interest in the Clean Energy Purchase Contract, provided that J. Aron in any event shall be entitled to deliver a notice of termination to the extent CCCE fails to do so in connection with the assignment of CCCE’s interest under the Clean Energy Purchase Contract;

(c) J. Aron may deliver a notice of termination if (i) PPA Seller delivers less than the Assigned Prepay Quantity for any four months in the aggregate during a twelve month period, (ii) any event or circumstance occurs that would give either CCCE or a PPA Seller the right to terminate or suspend performance under a PPA (regardless of whether CCCE or the applicable PPA Seller exercises such right) or (iii) CCCE requests remarketing of the Assigned Quantities under an Assigned PPA pursuant to the terms of [Section 7.3(c)] of the Clean Energy Purchase Contract;

(d) either J. Aron or CCCE may deliver a notice of termination to the extent that the Parties have mutually agreed upon an assignment of Replacement Assigned Rights and Obligations (as defined in the Clean Energy Purchase Contract) that will replace the Assigned Rights and Obligations under the applicable Assignment Agreement immediately following the termination thereof; and

(e) either J. Aron or CCCE may deliver a notice of termination under the applicable Assignment Agreement to the extent that:

(i) any of the representations and warranties set forth in Sections 5.4 of the Electricity Sale and Service Agreement and the Clean Energy Purchase Contract, respectively, ceases to be true with respect to an Assigned PPA;

(ii) the Assigned Energy being delivered pursuant to an Assignment Agreement ceases to be EPS Compliant Energy; or

(iii) any Assigned Product that constituted PCC1 Product or Long-Term PCC1 Product while being delivered directly to CCCE under an Assigned PPA ceases to qualify as PCC1 Product or Long-Term PCC1 Product when being redelivered through the Electricity Sale and Service Agreement, Master Power Supply Agreement and Clean Energy Purchase Contract.

For the avoidance of doubt, each of the Parties agrees that it shall not terminate an Assignment Agreement pursuant to the at will termination provision thereof except in the circumstances set forth immediately above. The at will termination provision referenced in the immediately preceding sentence (x) is set forth in [Section 2(a)(1)] of the form of Assignment Agreement attached to the Clean Energy Purchase Contract and (y) shall refer to any such provision forth in

an Assignment Agreement entered into by the Parties consistent with the terms of the Clean Energy Purchase Contract and the Electricity Sale and Service Agreement.

2. **Advance to PPA Seller as Loan to J. Aron.** To the extent J. Aron and the Guarantor (as defined in the Assignment Agreements) fail to pay any Delivered Product Payment Obligation (as defined in the Assignment Agreements) by the due date such for payment set forth in the relevant PPA (as defined in the Assignment Agreements), CCCE has agreed to advance an amount equal to such Delivered Product Payment Obligation on behalf of J. Aron to the relevant PPA Seller, which advance shall be made pursuant to the CCCE Custodial Agreement and shall be a loan by CCCE to J. Aron. CCCE will have a claim without duplication against J. Aron for any such amount, provided that J. Aron shall be deemed to have satisfied its repayment obligation to CCCE to the extent that either (a) J. Aron satisfies its corresponding repayment obligation under [Section 6.4] of the Electricity Sale and Service Agreement or (b) CCCE otherwise receives payment for such amount pursuant to [Section 6.4] of the Clean Energy Purchase Contract.

3. **Disputes with PPA Sellers.** Notwithstanding anything to the contrary in the Assignment Agreements, in the event of any invoice dispute between CCCE and a PPA Seller relating to Assigned Products previously paid for by J. Aron, CCCE agrees to provide J. Aron with copies of all communications relating thereto, and CCCE agrees to (a) provide J. Aron the opportunity to provide its recommendations and other input in the dispute and reconciliation process and (b) follow such recommendations and other input as it relates to Assigned Products previously paid for by J. Aron.

4. **Exhibit A.** Promptly following execution of the Assignment Agreements with respect to the Initial Assigned Rights and Obligations, J. Aron shall deliver an Exhibit A that lists such Assignment Agreements. J. Aron shall deliver an updated Exhibit A to this Agreement to reflect any changes to the information set forth therein in connection with the termination, expiration or replacement of an Assignment Agreement consistent with the terms of the Clean Energy Purchase Contract.

5. **Assigned Capacity Products.** With respect to any Assigned Products (as defined in the Assignment Agreements) that are capacity attributes, ancillary services or otherwise relate to resource adequacy (“Assigned Capacity Products”), Prepay LLC agrees to deliver such Assigned Capacity Products to Issuer pursuant to this Letter Agreement, which Assigned Capacity Products will be redelivered by Issuer to CCCE pursuant to the CEPC. With respect to such Assigned Capacity Products, Issuer agrees to pay Prepay LLC an amount equal to the amount due under the applicable Assigned PPA for such Assigned Capacity Products (as determined in accordance with the terms of the Assigned PPA and the related Assignment Agreement, and reflected in the Monthly Statement under and as defined in the CCCE Custodial Agreement), with such amount due from Issuer to Prepay LLC on the Monthly PPA Invoice Payment Date (as defined in the CCCE Custodial Agreement); provided that the portion of any CCCE Gross Payment paid pursuant to the CCCE Custodial Agreement and attributable to such Assigned

Capacity Products shall be deemed to satisfy Issuer's payment obligation hereunder with respect to such Assigned Capacity Products.¹

6. Representations, Warranties and Covenants.

(a) CCCE agrees that it shall provide a true, complete, and correct copy to J. Aron of any PPA to be assigned pursuant to an Assignment Agreement.

(b) Each Party represents to the other:

(i) **Status.** It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing.

(ii) **Powers.** It has the power to execute, deliver and perform its obligations under this Letter Agreement and the Assignment Agreements, and it has taken all necessary action to authorize such execution, delivery and performance.

(iii) **No Violation or Conflict.** Such execution, delivery and performance of this Letter Agreement and the Assignment Agreements and the consummation of the transactions contemplated hereby and thereby, including the incurrence by such Party of its obligations under this Letter Agreement and the Assignment Agreements, will not result in any violation of, or conflict with: (i) any term of any material contract or agreement applicable to it; (ii) any of its charter, bylaws, or other constitutional documents; (iii) any determination or award of any arbitrator applicable to it or (iv) any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, law, ordinance, rule or regulation of any government agency, applicable to it or any of its assets or properties or to any obligations incurred by it or by which it or any of its assets or properties or obligations are bound or affected, and shall not cause a material breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets; in any such case, which could adversely affect the validity of, or the ability of such Party to perform its obligations under, this Letter Agreement and the Assignment Agreements.

(iv) **Consents.** All consents, approvals, orders or authorizations of; registrations, declarations, filings or giving of notice to; obtaining of any licenses or permits from; or taking of any other action with respect to, any Person or Government Agency, that are required to have been obtained or made by such Party for the due authorization by such Party of, or which would constitute a condition precedent to or the absence of which would adversely affect the validity of, or the ability of such Party to perform its obligations under, this Letter Agreement and Assignment

¹ SM NTD: Assigned Capacity Products are being delivered from (i) PPA Seller to J. Aron pursuant to the PPA and Limited Assignment Agreement, (ii) J. Aron to Prepay LLC pursuant to the the Electricity Sale & Service Agreement, (iii) Prepay LLC to CCCFA pursuant to this Agreement and (iv) CCCFA to CCCE pursuant to the Clean Energy Purchase Contract.

Agreements and the transactions contemplated hereby and thereby, including the due authorization of such Party and its governing body and any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party, have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

- (v) ***Obligations Binding.*** Its obligations under this Agreement and the Assignment Agreements constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).
- (vi) ***Non-Reliance.*** It is acting for its own account, and it has made its own independent decisions to enter into this Agreement and the Assignment Agreements and as to whether this Agreement and the Assignment Agreements are appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other Parties as investment advice or as a recommendation to enter into this Agreement or the Assignment Agreements; it being understood that information and explanations related to the terms and conditions of this Agreement and the Assignment Agreements shall not be considered investment advice or a recommendation to enter into this Agreement. It is entering into this Agreement and the Assignment Agreements as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by the applicable parties, considers this Agreement and the Assignment Agreements to be legally enforceable contracts. No communication (written or oral) received from any of the other Parties shall be deemed to be an assurance or guarantee as to the expected results of this Agreement or the Assignment Agreements.
- (vii) ***Assessment and Understanding.*** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Agreement and the Assignment Agreements. It is also capable of assuming, and assumes, the risks of this Agreement and the Assignment Agreements.
- (viii) ***Status of Parties.*** Neither of Parties is acting as a fiduciary for or an adviser to the other in respect of this Agreement or the Assignment Agreements.

7. **Governing Law, Jurisdiction, Waiver of Jury Trial**

- (a) **Governing Law.** This Letter Agreement and the rights and duties of the parties under this Letter Agreement will be governed by and construed, enforced and performed in accordance with the laws of the State of New York, without reference to any conflicts of laws provisions that would direct the application of another jurisdiction's laws; provided, however, that

the authority of CCCE to enter into and perform its obligations under this Letter Agreement shall be determined in accordance with the laws of the State of California.

(b) **Jurisdiction.** Each party submits to the exclusive jurisdiction of the federal courts of the United States of America for the Northern District of California sitting in the city and county of San Francisco.

(c) **Waiver of Right to Trial by Jury.** Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this Letter Agreement.

[Signature Pages to Follow]

Very truly yours,

J. ARON

J. ARON & COMPANY LLC

By: _____
Name: _____
Title: _____

PREPAY LLC

ARON ENERGY PREPAY 22 LLC

By: J. Aron & Company, LLC, its Manager

By: _____
Name: _____
Title: _____

ACKNOWLEDGED, ACCEPTED AND AGREED TO as of the date first set forth above:

CCCE

CENTRAL COAST COMMUNITY ENERGY

By: _____
Name: _____
Title: _____

CCCFA

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Name: _____
Title: _____

Exhibit A

Assignment Agreements

[To come.]