

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

THIS CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT (this “Agreement”) is entered into this 5th day of April, 2016, by and between EIF Northbrook II, LLC, a Delaware limited liability company (“EIF Northbrook”, or the “Disclosing Party”) and Nevada Irrigation District, a California Irrigation District formed and existing pursuant to Division 11 of the California Water Code (“Receiving Party”). Disclosing Party and Receiving Party may be referred to herein individually as a “Party” and collectively as the “Parties”.

WHEREAS, the parties hereto intend to enter into confidential discussions regarding the possible sale of all or a portion of the equity interests or assets of the Northbrook Carolina Hydro, LLC, STS Hydropower, Ltd, and EIF Haypress, LLC (the “Potential Transaction”); and

WHEREAS, EIF Northbrook is willing to provide confidential and proprietary information to the Receiving Party to assist the Receiving Party in its consideration and evaluation of the Potential Transaction;

NOW, THEREFORE, in consideration of the premises hereof and the promises set forth below, the Parties agree as follows:

1. Confidential Information. For the purposes of this Agreement, the term “Confidential Information” means and includes information provided by or on behalf of the Disclosing Party or its Representatives (as defined below) to Receiving Party or its Representatives in connection with discussions regarding the Potential Transaction, including, without limitation, any business, commercial, technical, marketing, financial or other information, whether in electronic, oral or written form. Notwithstanding anything otherwise contained herein, Confidential Information shall not include information that (a) is at the time of such disclosure (or thereafter becomes) part of the public domain other than as a result of a breach of this Agreement by Receiving Party or any of its Representatives, (b) becomes available to Receiving Party from a source that is not known by Receiving Party or its Representatives to be in breach of an obligation to keep such information confidential, (c) was in Receiving Party’s possession on a non-confidential basis prior to disclosure of the same by Disclosing Party from a source not known to Receiving Party to be restricted from providing the Receiving Party with such information, (d) is independently developed by Receiving Party without use of or reliance on the Confidential Information, (e) becomes approved for release in writing by Disclosing Party, or (f) is required to be disclosed by Receiving Party pursuant to its obligations under the California Public Records Act (California Government Code §§ 6250 *et. seq.*). With respect to a particular Party, the term “Representatives” means and includes such Party’s Affiliates (as defined below), and such Party’s and its Affiliates’ respective partners, directors, officers, members, managers, employees, representatives and agents (including, without limitation, financial advisors, legal counsel, consultants and accountants).

2. Non-Use; Protection and Dissemination of Confidential Information. Receiving Party agrees not to use the Confidential Information for any purpose other than evaluating, negotiating, and potentially entering into the Potential Transaction. Except to the extent required by law, rule, regulation or stock exchange rule or as otherwise provided herein or requested pursuant to regulatory oversight, Receiving Party shall not, without the prior written consent of Disclosing Party, disclose the Confidential Information to any other party and will protect the confidentiality of such Confidential Information using the same standard of care as the Receiving Party customarily accords to the proprietary and confidential information, but in any event no less than a reasonable standard of care; *provided, however*, that Receiving Party may furnish Confidential Information to those Representatives who need to have access to such Confidential Information for purposes of evaluating, negotiating, and potentially entering into the Potential Transaction provided, that as a condition to such disclosure, Receiving Party shall (i) inform its Representatives of the confidential nature of the information and (ii) be liable under this Agreement and responsible for any actions by such Representatives that would constitute a violation of this Agreement if such Representative were a party to this Agreement. Furthermore, Receiving Party agrees that neither it

nor any of its Representatives will, without the prior written consent of Disclosing Party, directly or indirectly, enter into any agreement, arrangement or understanding with any third party that has or would have the effect of requiring such third party to provide Receiving Party (or its affiliates) with financing or other potential sources of capital or financial advisory services on an exclusive basis in connection with a Potential Transaction.

3. Non-Disclosure of Potential Transaction. The Board of Directors is a California public agency subject to the open meeting requirements of the Brown Act (California Government Code §§ 54950 *et. seq.*). Pursuant to the Brown Act, discussions, negotiations, and evaluations of the Potential Transaction by the Board of Directors must occur at a regularly scheduled or special meeting of the Board. The Board of Directors may meet in closed session with its negotiator to grant authority to its negotiator regarding the price and terms of payment for the purchase of real property, and it is anticipated that substantive discussions related to the Potential Transaction would occur in such closed session(s). However, prior to meeting in closed session to discuss the Potential Transaction, the Board must hold an open and public session in which it identifies its negotiators, the real property or real properties which the negotiations may concern, and the person or persons with whom its negotiators may negotiate. (California Government Code § 54956.8). It is understood that the Board's consideration of this Agreement will occur during open session, which may include disclosure of the potential transaction. Nothing in this Agreement shall interfere with Receiving Party's responsibilities under the Brown Act, and none of Receiving Party's actions which are consistent therewith shall be deemed a breach of this Agreement.

4. Compelled Disclosure. If Receiving Party or any of its Representatives is required by any interrogatories, requests for information or documents, subpoena, civil investigation, order, demand or similar legal or administrative process of any court or other governmental or regulatory authority to disclose any Confidential Information, then (a) Receiving Party shall, to the extent legally permissible, notify Disclosing Party of such requirement (other than where prohibited by applicable law or where such disclosure is required as a result of an examination by a regulatory or governmental agency that is required to keep such information confidential) so that Disclosing Party may seek, at Disclosing Party's sole cost and expense, an appropriate protective order or other relief or waive compliance with the provisions of this Agreement, (b) if Disclosing Party is not able to timely obtain a protective order or other relief or if Disclosing Party waives such compliance, Receiving Party or its Representative may disclose such Confidential Information, but only that portion which is required to be disclosed and (c) Receiving Party will use commercially reasonable efforts to cooperate with Disclosing Party to request confidential treatment of such Confidential Information. Notwithstanding anything to the contrary contained herein, Receiving Party shall exercise its sole discretion in determining whether disclosure of Confidential Information is required in response to requests propounded upon it pursuant to the California Public Records Act. Nothing herein shall restrict Receiving Party's discretion in implementing its obligations pursuant to the Public Records Act, nor render any of Receiving Party's actions which are consistent therewith a breach of this Agreement. Notwithstanding anything to the contrary contained herein, disclosure of Confidential Information may be made by Receiving Party or its Representatives without notice to Disclosing Party in the course of inspections, examinations or inquiries by federal or state regulatory agencies and self-regulatory organizations that have requested or required the general inspection of records that contain such Confidential Information.

5. Ownership and Nature of Confidential Information. All Confidential Information and the rights thereto shall be and remain the exclusive property of Disclosing Party, and, other than the right to evaluate the Confidential Information in accordance with the terms herein, no right or license is granted to Receiving Party with respect to any Confidential Information by virtue of this Agreement or any disclosure of Confidential Information hereunder. Except for any representations or warranties set forth in a final, definitive agreement regarding the Potential Transaction, no representation or warranty is made by Disclosing Party or any of its Representatives as to the accuracy or completeness of any Confidential Information provided to Receiving Party hereunder, and neither Disclosing Party nor any of its Representatives shall have any liability to Receiving Party as a result of the use of such Confidential

Information. Nothing in this Agreement obligates Disclosing Party to disclose any information to Receiving Party.

6. Return and Destruction of Confidential Information. Upon the written request of Disclosing Party, Receiving Party agrees to, at its option, either return to Disclosing Party or destroy all Confidential Information in its possession, including all copies of the same and all notes, analyses, compilations, studies or other documents prepared by, for or on behalf of Receiving Party or its Representatives that contain, reflect or are developed from such information, except for any such Confidential Information that exists only as part of regularly generated electronic backup data, the destruction of which is not reasonably practicable; *provided, however*, that Receiving Party and its Representatives may retain copies of such material (a) to the extent necessary to comply with applicable law, rule, regulation or bona fide internal document retention policies and procedures (including electronic copies of materials or summaries containing or reflecting Confidential Information that are automatically generated through data backup and/or archiving systems), or (b) for the purpose of defending any claim related to this Agreement or any transaction related hereto. Any electronic backup data and other copy of Confidential Information retained by Receiving Party pursuant to the preceding sentence shall remain subject to all restrictions and obligations contained in this Agreement. Upon written request by Disclosing Party, the fact of any such destruction shall be confirmed by Receiving Party to Disclosing Party. Any oral Confidential Information will continue to be subject to the terms of this Agreement.

7. Potential Transaction. The Receiving Party acknowledges and agrees that unless and until a final, written definitive agreement regarding the Potential Transaction between the Parties has been executed and delivered, the Disclosing Party is not under any commitment to enter into any agreement, discussions or negotiations with the Receiving Party or to conclude or further pursue or proceed with the Potential Transaction or any other type of business relationship by virtue of this Agreement or any disclosure of Confidential Information hereunder, and the Disclosing Party will not be under any legal obligation of any kind whatsoever with respect to the Potential Transaction, except for the matters specifically agreed to herein. Subject to the terms of this Agreement, the Parties shall be free at all times to hold negotiations or enter into agreements with any other persons whatsoever (including with respect to projects under discussion by the Parties hereto) in addition to or in lieu of the discussions hereunder and any such activities shall not be a breach of this agreement or any obligations owed to the other Party hereunder. Each Party hereto reserves the right, in its sole discretion, to decline, to retract or to reject at any time any proposal which has not yet become legally binding by execution of a written agreement between the Parties with respect thereto, or with respect to any further agreements or business arrangements with the other Party hereto, its parents, subsidiaries or affiliates and to terminate all further discussions and negotiations. Neither this Agreement nor any disclosure of Confidential Information hereunder creates any agency, joint venture or partnership relation between the Parties or, except as otherwise expressly provided herein, prohibits or restricts either Party from entering into any business relationship with any third party.

8. Remedies. The Receiving Party acknowledges that remedies at law may be inadequate to protect the Disclosing Party against any actual or threatened breach of this Agreement by the Receiving Party or its Representatives and that any such actual or threatened breach may cause irreparable harm that could not be adequately compensated with monetary damages. Therefore, the Disclosing Party is entitled to seek injunctive or other preliminary or equitable relief without proof of actual damages or posting of any bond in the event of any breach or threatened breach of this Agreement by the Receiving Party or its Representatives. Such remedies shall not be deemed exclusive remedies for any such breach, but shall be in addition to and without prejudice to any other rights or remedies otherwise available to the Disclosing Party.

9. Term. Unless sooner terminated in a writing mutually signed by the Parties, this Agreement will remain in effect for a period of two years from the date hereof.

10. Securities Laws. Each Party understands, and will communicate to its Representatives who have knowledge of the Potential Transaction, that applicable securities laws restrict (i) the purchase or sale of securities by any person who is in possession of material, nonpublic information from the issuer of such securities and (ii) the communication of such information to any other person when it is reasonably foreseeable that such other person is likely to purchase or sell such securities in reliance upon such information.

11. Waiver; Amendment. Neither this Section nor any other provision in this Agreement can be waived or amended except by written consent of the Parties, which consent shall specifically refer to this Section (or such other provision) and explicitly make such waiver or amendment. No failure or delay by either Party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise or waiver thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege whatsoever hereunder.

12. Assignment. This Agreement may not be assigned by either Party without the prior written consent of the other Party. This Agreement will inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

13. Definition of Affiliate. The term "Affiliate" shall mean any person, corporation, partnership, or other entity or association that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the applicable party, whether by contract or otherwise.

14. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall to the extent permitted by applicable law, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

15. Entire Agreement. This Agreement contains the entire understanding and agreement between the Parties with respect to the matters set forth herein and supersedes any and all prior and contemporaneous agreements and understandings, whether written or oral, relating thereto.

16. Notice. All written notices, requests, demands, declarations and other communications required hereunder or given pursuant hereto shall become effective (a) if given by facsimile, when transmitted and receipt has been confirmed, (b) if given by registered or certified mail, three business days after being deposited with the U.S. Postal Service, postage prepaid, (c) if given by courier, when delivered by such courier or (d) if personally delivered, when so delivered in person, addressed as follows:

- (i) If to the Receiving Party:
Remleh Scherzinger
Nevada Irrigation District
1036 W. Main Street
Grass Valley CA, 95945
Fax: (530) 271-6838
- (ii) If to EIF Northbrook:

c/o Ares Management LLC
Three Charles River Place
63 Kendrick Street, Suite 101
Needham, MA 02494
Attn: Legal Department
E-mail: nehrnepreis@aresmgmt.com
Fax: (781) 292-7099

or at such other address as either Party may from time to time designate for itself by written notice to the other Party.

17. Governing Law; Jurisdiction. This Agreement shall be construed and enforced in accordance with the laws of the State of California, without regard to the conflict of laws rules and principles thereof. Each Party irrevocably consents and submits to the jurisdiction of the state courts situated in California and the federal courts situated in Sacramento, California to resolve any disputes with respect to this Agreement or the Confidential Information and for any actions, suits or proceedings arising out of or relating thereto.

18. Headings. Section headings herein are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

19. Non-solicitation; Interference. During the term of this Agreement, neither Receiving Party nor any of its Representatives shall, directly or indirectly, solicit for employment, or employ of any person who is now employed or was previously employed within the last 12 months by Disclosing Party or, as to the facilities subject to the Potential Transaction, their third party operator, other than: (i) with the prior written consent of Disclosing Party or (ii) by means of solicitations conducted through advertisements of general distribution not specifically targeted at any such employees.

20. Other. The Parties each acknowledge their obligations of good faith and fair dealing under this Agreement notwithstanding any contrary provision of law. Signers below warrant due authority to bind their respective organizations. This Agreement may be executed more than one counterpart, all of which together shall constitute one and the same instrument. Each Party agrees that it will be bound by its own facsimile or scanned signature, that it accepts the facsimile or scanned signature of the other Party to this Agreement and that such facsimile or scanned signature shall be treated as, and admissible into evidence as, the original document.

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IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

EIF Northbrook II, LLC

By:  _____

Name: Shawn Saint

Title: Vice President

Nevada Irrigation District

By: _____

Name: Nancy Weber

Title: President – Board of Directors

By: _____

Name: Lisa Francis Tassone

Title: Secretary – Board of Directors