**Version dated 03/21/12**
**DRAFT VERSION SUBJECT TO CHANGES**

---

**TALARA AND CUPISNIQUE**
**SENIOR SECURED LONG TERM PROJECT FINANCING**

*INDICATIVE TERMS AND CONDITIONS*

*This summary of terms and conditions (the "Term Sheet") is an indicative term sheet and is for discussion purposes only. This Term Sheet is intended as an outline only and does not purport to summarize or contain all the conditions, covenants, representations, warranties and other provisions which would be contained in the definitive documentation for any transaction. This Term Sheet does not constitute a commitment on the part of EKF, the Mandated Lead Arrangers or any of their affiliates to underwrite, arrange or provide the financing described herein on the terms described herein or otherwise, and any such commitment would be subject in all respects, among other conditions, to the satisfactory completion of due diligence and receipt of all necessary internal approvals. This Term Sheet is for the confidential use of the Borrower and the Sponsor, and is not to be disclosed to any other third party without the prior written consent of EKF and the Mandated Lead Arrangers.*

**Sponsor**

Corporación Montealto XXI, S.L. (the "Sponsor").

**Borrower**

Energía Eólica S.A., a special-purpose-vehicle incorporated under the laws of Peru initially fully owned by the Sponsor (the "Borrower").

**Credit Facility**

<u>Tranche A</u>

Senior secured construction and term financing (the "Credit Facility") of up to US$ [215-220] million (the "Facility Amount"), representing no more than [80]% of Project Costs ("Tranche A").

Tranche A will be provided by one or more commercial lenders, one or more development finance banks (commercial lenders and development finance banks together the "Banks") and Eksport Kredit Fonden ("EKF") to the Borrower as follows:

(i) EKF will provide a direct export loan for up to an amount equal to 50% of the Facility Amount, which loan will be covered by an EKF guarantee (the "EKF Loan"), and (ii) the Banks will provide a loan for up to an amount equal to the difference between the Facility Amount and the EKF Loan (the "Commercial Loan").

<u>Tranche B</u>

At the Borrower's option, the Facility Amount may be increased after or before the Closing Date by up to US$[TBD] million to be structured as an additional tranche ("Tranche B") representing no more than [5]% of Project Costs to an aggregate principal of up to US$ [TBD] million, provided that such additional tranche shall be disbursed only in the event that the Projects are awarded carbon credits sellable under the Clean Development Mechanism from the United Nations Framework Convention on Climate Change (UNFCCC) through agreements acceptable to the Lenders ("the CER Contracts"), which amount shall be allocated between the Projects in proportion to the carbon credits awarded to each Project under such agreement. The Facility Amount shall be increased based on the additional cash flow to be generated by such sales of carbon credits subject to the minimum and average annual DSCRs described below, but in no event shall the Facility Amount exceed [80]% of the Project Costs.

These amounts shall be available until the Conversion Date (subject to Lenders' cancellation rights) and the Borrower shall pay Commitment Fees on the amounts available until they are utilized or cancelled.

Alternatively, the Sponsor will be able to monetize such awarded carbon credits, provided such consequent agreements shall have no lien over the Senior Lenders' security package.

.

**VAT Facility** To be provided in Peruvian Soles by a Peruvian bank.

**Security Bond LC** To be defined

**Purpose** Proceeds of the Credit Facility will be used for the construction of the 30 MW Talara wind park and associated transmission facilities (the "Talara Project") and the 80 MW Cupisnique wind park and associated transmission facilities (the "Cupisnique Project" and, together with the Talara Project, the "Projects") to be located in Peru.

**Project Costs** All capital expenditures, acquisition and development costs and working capital required for the construction and commissioning of the Projects, including interest and fees incurred during the construction of the Projects and funding of the DSRA to its required balance on the Conversion Date.

The following table sets out the estimated and indicative Project Costs for both Projects:

| Both Wind Parks | | | | | |
|---|---|---|---|---|---|
| **Sources** | **US$ million** | **%** | **Uses** | **US$ million** | **%** |
| Equity | 54,7 | 20% | EPC | 218,8 | 81% |
| Construction and Term Loan | 216,9 | 80% | Permits & Develop, Land | 23,0 | 8% |
| | | | Closing, IDC | 20,3 | 7% |
| | | | DSRA | 9,5 | 3% |
| **Total Sources** | **271,6** | | **Total Uses** | **271,6** | |

**Completion Support** The need for and type of additional support for completion of the Projects will be determined based upon input from the Lenders' Independent Engineer and considering the final budget for the Projects and the nature of the Projects' construction arrangements (e.g., turnkey nature of EPC Contract, level of contingency, interplay between contracts if more than one EPC Contract per Project, etc.); provided that (i) the Sponsor shall not provide any guarantee related to debt service upon acceleration (without prejudice to any guarantee related to scheduled debt service that may be required, subject to the cap referred to in paragraph (ii) below), and (ii) any such completion support shall terminate on Conversion Date and be capped in amount.

**Mandated Lead Arrangers and Bookrunners** WestLB AG, New York Branch ("WestLB"), and [●] shall be the exclusive Mandated Lead Arrangers and Bookrunners (the "Mandated Lead Arrangers").

Subject to due diligence, credit approval, and other customary conditions, each Mandated Lead Arranger will seek to commit (i) up to US$ [40-50] million under the Commercial Loan of Tranche A.

The Mandated Lead Arrangers reserve the right to syndicate, on a best efforts basis only, a portion of the Facility Amount to other financial institutions prior to, and after, Financial Close.

**Lenders** The Mandated Lead Arrangers and other Banks acceptable to the Sponsor and the Mandated Lead Arrangers (and, together with EKF, the "Lenders").

| | |
|---|---|
| **Administrative Agent** | To be determined |
| **Collateral Agents** | To be determined |
| **Financial Close** | The date on which the credit agreement is executed. |
| **Upfront Fee** | [225] bps flat on the Facility Amount, payable to the Mandated Lead Arrangers, in each case, on the earlier of (i) 30 days after Financial Close, and (ii) the first disbursement date. The upfront fee will be payable according to the following scheme: (i) if a Covered Tranche is provided as part of the Credit Facility, 50% to EKF and 50% to the Commercial Banks, and (ii) if no Covered Tranche is provided as part of the Credit Facility, 100% to the Commercial Banks. |
| **Equity Contribution Obligations** | An amount equal to the difference between Project Costs (excluding VAT amounts expected to be reimbursed by the Peruvian government and the Security Bond LC) and the Facility Amount but not less than [20]% of Project Cost (the "Base Equity Contributions") will be contributed by the Sponsor by way of cash equity contributions, fully subordinated debt, or other equity instrument in a form satisfactory to the Lenders.<br><br>At the option of the Sponsor, the Base Equity Contributions may be (i) funded upfront, or (ii) funded on a pro rata basis with drawdowns on the Credit Facility, subject to the provision of an irrevocable stand-by letter of credit for the full amount of the Base Equity Contributions from one or more financial institution(s) acceptable to the Lenders; provided that, in the case of (ii) above, and subject to credit analysis of the Sponsor by the Lenders, a limited portion of such Base Equity Contributions (applying to Equity Contribution Obligations during a limited period of time [TBD]) may be provided in the form of a corporate guarantee from the Sponsor satisfactory to the Lenders.<br><br>For the avoidance of doubt, the Sponsor shall fund the Equity Contribution Obligation from the Closing Date until the Conversion Date as if only Tranche A were available<br><br>If the CER Contracts have been entered into and are in full force and effect as of the Conversion Date, the Facility Amount shall be increased to incorporate the funds under Tranche B, and it shall be disbursed in an amount according to an updated financial model acceptable to the Lenders as per the debt sizing criteria, and the proceeds of such Tranche B disbursement will be applied to reduce the amount of Base Equity Contributions (by prepayment of Sponsor subordinated loans or payment of dividends).<br><br>If at the Conversion Date the amount of Base Equity Contributions is in excess of the amounts set as per this provision, such excess will be returned to the Sponsor in the last and final drawdown, according to an updated financial model acceptable to the Lenders as per the debt sizing criteria. |
| **Maturity** | EKF Loan: Up to 14.5 years from the commercial operations date, but in no event more than 16 years after Financial Close, provided that the average life of the Credit Facility shall not exceed 10 years.<br><br>Commercial Loan: The Commercial Loan may consist of two tranches, one with a maturity equal to the EKF Loan (the "Fully Amortizing Tranche") and the other with a maturity of up to 7 years from the commercial operations date, but in no event more than 8.5 years from Financial Close (the "C+7 Tranche").<br><br>The EKF Loan and the Fully Amortizing Tranche will have the right to "put" their loans upon maturity of the C+7 Tranche if that tranche has not been refinanced or otherwise repaid prior to its maturity. |
| **Availability** | Drawdowns may be made under the Credit Facility for the payment of Project Costs |

from Financial Close to the earlier of the Conversion Date or the Date Certain.

| | |
|---|---|
| **Conversion Date** | Provided no Default or Event of Default under any Project Contract or Financing Document shall have occurred and be continuing, the date when:<br>a) each Project has initiated commercial operations under the Power Purchase Agreements ("PPAs") and the Independent Engineer so certifies;<br>b) completion under the EPC Contracts has been achieved and the Projects have been completed and accepted by the Borrower pursuant to the EPC Contracts and are ready for continuous use, and the Independent Engineer so certifies;<br>c) the Projects have been completed in accordance with environmental and social requirements, and the Environmental Consultant so certifies;<br>d) any (i) damages payable by the Borrower under the EPC Contracts have been paid or provisioned and (ii) liquidated damages payable by the EPC Contractor under the EPC Contracts (including in respect of warranties assigned to the Lenders) have been paid or bridged by the Sponsor; provided that this sub-clause (ii) shall not apply if such liquidated damages are related to Project performance and the Borrower prepays the Tranche A loans in the amount necessary to bring the senior debt in line with the projected performance of the Project according to an updated financial model acceptable to the Lenders as per the debt sizing criteria (which prepayment may be made with cash trapped in the waterfall that would be otherwise available to pay dividends);<br>e) all governmental approvals necessary for operation of the Projects are in full force and effect;<br>f) the Reserve Accounts are fully funded;<br>g) the Sponsor has fulfilled its Base Equity Contribution and contingent equity contribution obligations, if any;<br>h) all required insurance and reinsurance for the Projects is in force;<br>i) all interconnection facilities have been completed and all utility arrangements are in place; and<br>j) other conditions that MLAs deem appropriate once due diligence of the Projects by the MLAs and the consultants has been carried out and as a result of the findings thereof. |
| **Date Certain** | In respect of each Project, the date that is the earlier of (i) the date by which such Project is scheduled to achieve commercial operations under the relevant PPA and (ii) [18] months after Financial Close. |
| **Payment Dates** | Payments of principal and interest under the Credit Facility will be made semi-annually commencing on the earliest Acceptable Date after the end of the Availability Period in accordance with a fixed amortization schedule. Both Projects and tranches shall have the same payment dates.<br>"Acceptable Date" shall mean April 30, July 31, October 31 and January 31 provided that such dates fit well with wind seasonality as determined by the Lenders. |
| **Interest Periods, Calculation and Payment** | At the Borrower's option, 3-month or 6-month LIBOR, plus Interest Rate Margin<br>Interest could be capitalized until the earlier of the Conversion Date and the Date Certain. |
| **Interest Rate Margin** | The Interest Rate Margin will be as set forth below:<br>EKF Loan:<br>Until Completion: 425 basis points p.a. |

| | |
|---|---|
| | Years 1-3: 437.5 basis points p.a.<br>Years 4-6: 450 basis points p.a.<br>Years 7-9: 475 basis points p.a.<br>Years 10-12: 500 basis points p.a.<br>Years 13: 550 basis points p.a.<br><br>Commercial Loan:<br><br>Until Completion: 425 basis points p.a.<br>Years 1-3: 437.5 basis points p.a.<br>Years 4-6: 450 basis points p.a.<br>Year 7: 475 basis points p.a. |
| **Commitment Fee** | 40% of the drawn spread, on the average daily unused portion of the Credit Facility, payable quarterly in arrears from Financial Close until the Conversion Date. |
| **Interest Rate Hedging Program** | The Borrower shall enter into an interest rate hedging program satisfactory to the Lenders pursuant to which, at the date of the initial disbursement under the Credit Facility, the Borrower shall have hedged or otherwise fixed at least 75% of all of its interest rate risk. The interest rate hedges shall expire no earlier than the Maturity Date (subject to early termination pursuant to "Cash Sweep" below). All payments under the hedge agreements will rank and be secured on a *pari passu* basis with the Credit Facility.<br><br>[ ] will act as the co-hedge coordinators (each a "Co-Hedge Coordinator" and together the "Co-Hedge Coordinators"), each for [ ]% of the interest rate hedge at a credit spread of [30]bps. Upon disbursement of the Facilities, the Mandated Lead Arrangers will novate the hedge to lenders participating in the hedge for their pro-rata participation in the Credit Facility. Should any Mandated Lead Arranger or any other Lender elect not to participate in the interest rate hedge, the other Mandated Lead Arrangers shall have the right to provide that portion. |
| **Foreign Exchange Hedging Program** | The Borrower will be required to adequately hedge the foreign exchange risk (i) during the construction period (if any), and (ii) if the EKF Loan is being provided as part of the Credit Facility, relating to conversion from US$ to Danish Krone, in each case, under modalities to be determined upon further analysis. Subject to mutually acceptable terms between the Mandated Leader Arrangers and the Borrower, such hedge shall be executed by Mandated Leader Arrangers at conditions to be determined according to the chosen hedge modality. All payments under the foreign exchange hedge agreements will rank and be secured on a *pari passu* basis with the Credit Facility. |
| **Default Interest** | 2% above the relevant prevailing Interest Rate Margin. |
| **Repayment** | Semiannual tailored installments. All tranches will utilize the same amortization schedule. |
| **Cash Sweep** | Depending on wind data and further due diligence, and starting in year [3] after the Conversion Date, a percentage [TBD] of the cash flow available for distribution in each calculation period will be applied to prepay the Credit Facilities with the goal of, under the one-year P50 Base Case projections, reducing the balloon under the C+7 Tranche to the balloon that would prevail under a 12-year amortization schedule.<br><br>If, during two consecutive electric years, delivered energy under the PPA is less than contracted energy under the PPA, a [TBD]% of the cash flow available for distribution in each calculation period will be applied to prepay the Credit Facilities on a pro rata basis, and said cash sweep will continue until delivered energy in any subsequent year is |

at least the contracted energy.

**Voluntary Prepayments** No prepayment fee will be applied.

**Mandatory Prepayments** Usual and customary for credit facilities of this size, type and nature, including those related to proceeds of any debt issuance, assets sales, insurance proceeds (excluding interest income and proceeds of business interruption insurance and delay liquidated damages), performance liquidated damages and proceeds of any expropriation or nationalization.

**Debt Service Coverage Ratio ("DSCR")** For any period, the DSCR is the ratio of the excess of revenues received during such period (including interest income and proceeds of business interruption insurance and delay liquidated damages) over all operating expenses paid during such period, divided by the sum of the interest, fees (including commitment and any other fees payable by the Borrower), other financing costs and scheduled principal payments with respect to the Credit Facility payable during such period.

The minimum and average DSCR in the base case financial model shall be no less than (a) [1.35]x when using wind energy production based on P50 one year wind forecasts and (b) [1.0]x when using wind energy production based on a P99 one year wind forecast.

**Distributions** Subsequent to the Conversion Date and subject to the attainment in each annual period of a DSCR of at least 1.20x and no default condition, the Borrower may make distributions to its shareholders from excess cash flow in accordance with the Operating Cash Waterfall on each period as defined below. Monies trapped for two consecutive years will be used to repay debt on a pro-rata basis.

Distributions may only be made once a year during the two months following the calculation of the Correction Factor by the COES.

**Financing Documents** Customary for this type of transactions including, but not limited to:

a) Credit Agreement;
b) Security Agreement(s);
c) Collateral documents;
d) Accounts Agreements;
e) Interest Rate Hedging Agreements;
f) EKF guarantee, if applicable; and
g) Any other material document to be agreed upon.

**Project Contracts** Customary for this type of transaction, including, but not limited to:

a) Engineering, Procurement, and Construction Contract (the "EPC Contract") between the Borrower and Vestas Wind Systems A/S (the "EPC Contractor");
b) PPAs with the Peruvian Government relating to each of the Projects;
c) Transmission contracts, or any acceptable arrangement for the delivery of electricity in accordance with the PPAs;
d) Concession Contracts;
e) Operation and Maintenance Agreement (the "O&M Agreements");
f) Any other contracts relating to the operation and maintenance of the Project (e.g., Long-Term Services Agreement);
g) Any CER Contract;
h) All required Project permits, approvals, licenses and environmental indemnities, including all required *servidumbres electricas* and/or *servidumbres de viento*, in the latter, to extent they are feasible to obtain;

i) All contracts providing for ownership or use of the land and easements required for the Project; and

j) Any other material contract identified after completing due diligence.

**Security Deposit Agreement and Accounts**

The Borrower, the Administrative Agent and the Collateral Agent will enter into a cash collateral agreement pursuant to which the Borrower will establish and pledge in favor of the Collateral Agent, for the benefit of the Lenders, certain accounts (the "Accounts"). The Borrower will deliver, or will cause to be delivered, to the Collateral Agent, all revenues from power sales, insurance proceeds, liquidated damages and other amounts received by or payable to the Borrower, which shall be deposited and held in the Accounts. All funds and investments in the Accounts shall be applied according to the Operational Cash Waterfall and will constitute collateral security for all of the Borrower' obligations under the Credit Facility.

**Reserve Accounts**

Debt Service Reserve Account (the "DSRA")

An US Dollar-denominated account that will be funded at the Conversion Date in an amount equal to the next six months' debt service requirement, with a minimum to be determined. The DSRA shall be maintained thereafter in an amount equal to the projected debt service requirement for the subsequent six months. To the extent any amounts on deposit in the DSRA are applied to pay debt service on any payment date, the DSRA must be replenished to its required balance prior to next payment date.

The DSRA shall be invested in [ ] time deposits with maturities of one, two, or three months from the date of deposit bearing a rate of interest to be determined so long as such deposits continue to qualify as permitted investments as defined under the executed Credit Agreement and Security Agreement.

Major Maintenance Account:

The account shall be funded as needed with annual amounts determined in consultation with the Independent Engineer to cover unanticipated capital expenses or extraordinary operating expenses.

Correction Factor Reserve Account:

A Correction Factor Reserve Account will be established and funded on a quarterly basis to reflect potential adjustments in future revenues due to variations in actual availability factors and spot prices versus the factors and prices submitted to COES at the start of each electric year under the PPA. The mechanism for calculating deposits to and releases from the Correction Factor Reserve Account will be determined after further analysis of the Correction Factor.

**Collateral**

Customary for these types of long term financings and subject to applicable Peruvian or New York law, as applicable, including, but not limited to:

a) Perfected first-priority lien on all assets of, and all equity interests in, the Borrower;

b) Perfected first-priority lien on the credit rights arising from the PPA, the EPC Contract, the O&M Agreement and other material project documents;

c) Assignment of all revenues and accounts;

d) Direct agreement with the EPC Contractor, the operator and counterparties to other material project documents and, if commercially feasible, with the offtaker under the PPA;

e) Any other contract rights, assets, permits and insurance and reinsurance proceeds, in each case to the extent permitted under applicable law and the concession agreements; and

f) Expropriation, nationalization and similar claims from the Sponsor, the Borrower and other shareholders, if any.

| | |
|---|---|
| **Operating Cash Waterfall** | At the earlier of the Date Certain or the Conversion Date, the Borrower's revenues shall be applied in the following order of priority:<br>i) First, to pay all costs and expenses arising from the construction, operation and maintenance of the Borrower, including taxes (value added and otherwise), and deposit of funds as security to third-party vendors in the ordinary course of business;<br>ii) Then, to pay expenses of, and fees payable to, the Collateral Agent and the Administrative Agent;<br>iii) Then, to pay interest, principal payments and fees of the Credit Facility, and hedge agreements;<br>iv) Then, to fund the reserve accounts in accordance with the provisions under "Reserve Accounts," above;<br>v) Then, to repay debt in accordance with Cash Sweep provisions above;<br>vi) Then, subject to the provisions regarding Distributions, above, and subject to no Default or Event of Default and other conditions TBD, to pay dividends as permitted by law or repay subordinated loans. |
| **Conditions Precedent to Financial Close** | In addition to customary for credit facilities of this nature, it shall include, but not limited to the following conditions (each in form and substance satisfactory to the Lenders):<br>a) The execution and delivery of all documentation related to the transaction and all applicable Project Contracts with no continuing default;<br>b) All governmental and regulatory approvals and licenses necessary for the construction and operation of the Projects (customary exceptions allowed) and the maintenance of the Accounts have been obtained;<br>c) Receipt of an updated base case financial model incorporating the information contained in the Project Contracts and Independent Engineer's report which shall present base case projections indicating a projected DSCR on each Repayment Date not less than (a) [1.35]x when using wind energy production based on P50 one year wind forecasts and (b) [1.0]x when using wind energy production based on a P99 one year wind forecast;<br>d) Receipt of the required legal opinions;<br>e) The absence of any Material Adverse Change affecting the Projects financially or otherwise and/or the political or economic situation of the Republic of Peru;<br>f) Receipt of a technical assessment of the Projects by the Lenders' Independent Engineer;<br>g) Receipt of a report from the Wind Resource Consultant with analysis of the turbines, power curve specifications and site characteristics, to give forecasts of overall power production during the life of the Projects. The assessments shall include probabilities of exceedance of 50%, 90%, 95%, and 99% on a 1, 10 and 20-year basis;<br>h) Receipt of an environmental assessment of the Project sites by the Environmental Consultant, including compliance with Equator Principles requirements, environmental monitoring and management programs;<br>i) Receipt of a report from the Insurance Consultant including a review of the adequacy of the Projects' insurance policies;<br>j) Receipt of a report from the Market Consultant covering the specificities of the Electric Market in Peru;<br>k) Satisfactory review of land titles and agreements, and execution and delivery of real estate documents necessary for the construction and operation of the |

Projects;

l) Receipt of satisfactory documentation related to Project Costs, spare parts inventory, maintenance schedule and construction schedule;

m) Receipt by Lenders of customary documentation Know-your-Customer and anti-money laundering rules and regulations;

n) Receipt of the most recent annual and quarterly financial statements (audited if available) of the Borrower and the Sponsor; and

o) Receipt of any relevant fee letters, each duly executed by the Borrower and the Sponsor, and payment of all fees due upon Financial Close, if any.

**Conditions Precedent to Drawdown**

Customary for this type of financing, including, but not limited to the following conditions (each in form and substance satisfactory to the Lenders):

a) Receipt of a notice of borrowing request from the Borrower, including certification by the Lenders' Independent Engineer;

b) All representations and warranties are true and correct;

c) No default or event of default or Material Adverse Change shall have occurred and be continuing;

d) All real property rights and material regulatory and other governmental approvals, concessions, licenses, and permits required for the then-current state of the Projects have been obtained, have been duly registered and are in full force and effect;

e) Interest Rate Hedging Agreements in an amount and form acceptable to the Lenders, shall have been executed;

f) Receipt by the Lenders of all consents to collateral assignments of Project Contracts (where permissible by law), and/or evidence that appropriate filings and recordings of financing statements and security documents have been made;

g) Receipt of evidence of the appointment of a process agent in New York by the Borrower;

h) Payment of all fees due prior or upon first disbursement; and

i) Receipt of any equipment production or export documentation required by EKF for the relevant drawdown.

**Material Adverse Change**

The obligations of the Lenders hereunder are subject to the absence, in its reasonable opinion, of any event(s) or circumstance(s), (including any change or continuation of any circumstance(s)) that has (or have) a material adverse effect or could reasonably be expected to have a material adverse effect on (i) the business, property, prospects, results or operations or condition (financial or otherwise) of the Borrower or the Projects; (ii) the ability of the Borrower or, until Conversion Date, the Sponsor to perform their obligations under the Credit Facility or any Project Contract; (iii) the ability of any material party to a Project Contract to perform its obligations under that contract; (iv) the validity or enforceability of any Project Contract or Financing Document, (v) the validity or priority of the security interest of the Lenders, the Administrative Agent or the Collateral Agent under the security agreements or any other financing agreements, (vi) the Peruvian or international financial markets in general, (vii) the Republic of Peru (including its creditworthiness) or the government thereof, or (viii) the conditions of, or legal, regulatory or investment environment applicable to, private investments (whether domestic or foreign) in the power, energy or infrastructure sectors in the Republic of Peru.

**Representations &**

Borrower shall make representations and warranties that are customary for this type of long-term financing, with customary exceptions and materiality and timing qualifiers,

**Warranties** including, but not limited to:

a) Due organization and existence, capacity, power and authority to conduct business and execute and deliver the applicable documents;
b) Legality, validity and enforceability of documents;
c) Compliance with laws;
d) No conflicts;
e) Valid title to Collateral;
f) Perfection, priority and validity of security interests;
g) Absence of defaults and conflicts;
h) No Material Adverse Effect;
i) No litigation;
j) Contracts with affiliates;
k) Required licenses, consents and permits;
l) Environmental compliance;
m) Indebtedness; and
n) Payment of taxes.

**Covenants** Affirmative and negative covenants customary for this type of long term financing, with customary exceptions and materiality qualifiers, including, but not limited to:

a) Maintenance of existence;
b) Compliance with laws;
c) Payment of taxes;
d) Maintenance of insurance;
e) Obtain and maintain all required real property rights in accordance with the real property program agreed between the Borrower and the Lenders;
f) Satisfactory performance under the material project contracts;
g) Obtaining and maintaining permits, to the satisfaction of the Mandated Lead Arrangers;
h) Maintenance of compliance with all environmental regulations from the World Bank/Equator Principles;
i) Maintenance of project accounts in accordance with agreed requirements;
j) Use of proceeds;
k) Obtain the permits, concessions and key contracts;
l) Maintenance of Interest Rate and Foreign Exchange Hedging Agreements in accordance with the hedging strategy;
m) Customary information and notice delivery requirements;
n) Limitation on additional indebtedness and liens;
o) Limitation on mergers, consolidations, modifications of its legal corporate existence and sales of assets;
p) Limitation on amendments to, and termination of, constituent documents, project contracts and financing documents;
q) Limitation on execution and delivery of material contracts and affiliate contracts;
r) Limitations on Change Orders under the EPC Contracts;
s) Limitation of payment of dividends, subject to satisfaction of customary conditions including a historical 12-month minimum debt service coverage ratio of [1.20];

t) Abandon the Projects or cease operations; and
u) Limitations on subsidiaries and issuance of equity interests.

| | |
|---|---|
| **Events of Default** | Customary for this type of financing (with customary cure periods) including, but not limited to:<br>a) Payment default by the Borrower;<br>b) Failure to perform or observe covenants;<br>c) Breach of representations or warranties;<br>d) Insolvency of Borrower and/or, until Conversion Date, the Sponsor;<br>e) Default under any material Project Contract;<br>f) Abandonment of any of the Projects;<br>g) Security interests invalid;<br>h) Termination of any of the PPAs or any other material project document;<br>i) Loss of material permits or license;<br>j) Occurrence of non-permitted change of control; provided that the Sponsor shall be entitled to partially sell equity interests in the Borrower if (i) the Sponsor maintains "control" of the Borrower (to be defined as more than [50]%[1]share ownership in and power to direct management of the Borrower), (ii) the Sponsor remains fully liable for its support obligations, and (iii) the transferee meets all Lenders' KYC requirements;<br>k) Filing petition for bankruptcy, liquidation, or reorganization;<br>l) Failure to maintain minimum ownership levels;<br>m) Failure of any Project to achieve commercial operations on or prior to a longstop date TBD;<br>n) Cross default with the Borrower's and, until Conversion Date, the Sponsor's other indebtedness, subject to a threshold (to be determined);<br>o) Force majeure extending for more than a number of days TBD;<br>p) Expropriation, nationalization, limitations on transfer or convertibility of currencies, etc.; and<br>q) Judgments and litigation affecting the Borrower or, until Conversion Date, the Sponsor. |
| **Remedies** | Customary for this type of financing. |
| **Taxes** | All taxes are for the account of the Borrower. All payments shall be made free and clear of any present or future taxes, levies, deductions or withholdings of any nature. |
| **Yield Protection** | Customary for this type of transaction. |
| **Documentation** | Customary for this type of transaction. |
| **Indemnification** | The Financing Documents will contain standard provisions obligating the Borrower to indemnify the Lenders and the Collateral Agent, including indemnification for losses and expenses incurred in connection with the preservation and enforcement of their rights as secured creditors of the Borrower. |

[1] Subject to confirmation by Peruvian counsel that no higher ownership requirement is needed for purposes of taking decisions at the Borrower level.

| | |
|---|---|
| **Expenses** | All reasonable and documented legal (Peruvian and US counsel), third party consultants, and out-of-pocket expenses incurred in the negotiation, due diligence and execution and closing of the Credit Facility will be for the account of the Borrower and/or the Sponsor. |
| **Wind Resource Consultant** | Garrad Hassan. |
| **Independent Engineer** | Garrad Hassan. |
| **Independent Regulatory and Power Market Consultant** | Mercados Energéticos Consultores. |
| **Environmental Consultant** | Garrad Hassan. |
| **Lenders' Counsel** | Clifford Chance and Estudio Echecopar. |
| **Insurance Consultant** | Willis |
| **Tax and Model Audit** | Price Waterhouse Coopers |
| **Governing Law** | All documentation shall be governed by and construed in accordance with the laws of the State of New York, except for documents relating to the Collateral that will be governed by the laws of the Republic of Peru. The Borrower will submit to the non-exclusive jurisdiction of Federal and State Courts sitting in the City of New York and will waive sovereign immunity. Danish Law for EKF Guarantee. |