

AMENDMENT FOUR TO POWER SALES AGREEMENT

This Amendment Four to Power Sales Agreement (“*Amendment Four*”), dated May ___, 2017 (the “*Amendment Date*”) by and among Public Utility District No. 1 of Chelan County, Washington (hereinafter referred to as the “*District*”), Alcoa Power Generating Inc. (“*APGI*”) and Alcoa Corporation. (“*Alcoa*”) (APGI and Alcoa being hereinafter jointly and severally referred to as the “*Purchaser*,” and collectively with the District, the “*Parties*” or individually, a “*Party*”).

RECITALS

The District, APGI and Alcoa (as assignee from its former parent company Alcoa Inc.) are parties to a Power Sales Agreement dated as of July 14, 2008 (Exhibit E of which was adjusted by Amendment Two to Restated and Amended Industrial Power Sales Contract dated 7/14/08), which was thereafter amended by that certain Amendment One to Power Sales Agreement dated as of August 23, 2011, by Amendment Two To Power Sales Agreement made effective as of March 31, 2014, and by Amendment Three to Power Sales Agreement dated November 2, 2016, each by and among the District, APGI and Alcoa (collectively the “*PSA*”). Pursuant to the PSA, the District has supplied energy for Alcoa’s aluminum plant in Chelan County known as Wenatchee Works.

Pursuant to the PSA, Alcoa is required to pay a Shutdown Settlement Amount if Wenatchee Works remains Shutdown for the eighteen month period ending June 18, 2017. Were that to occur, pursuant to Appendix E of the PSA, as amended, the Shutdown Settlement Amount of \$66,949,573 would be due to the District on June 19, 2017. Alcoa has advised that the economics do not currently support a restart of Wenatchee Works and Alcoa has requested a deferral of its obligation to pay the Shutdown Settlement Amount on June 19, 2017, to preserve the opportunity for restart at a later date. The District is agreeable to a partial deferral of that payment on the terms and subject to the conditions set forth below.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein provided, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Parties agree to amend the PSA as follows:

1. *Acknowledgement with Respect to Section 7.01(A)*. The Parties hereby acknowledge and agree with respect to the payments due or to become due under Section 7.01(A) that:
 - a. an initial Shutdown has occurred and is continuing;
 - b. the Shutdown Date occurred on December 18, 2015 and Shutdown is expected to extend for more than eighteen (18) months; and
 - c. without amendment, pursuant to the PSA the Shutdown Settlement Amount of \$66,949,573 will become due and payable to the District on June 19, 2017 if Wenatchee Works remains Shutdown on such date.

2. Amendment to Section 7.01(A)(iii). The Purchaser and the District have agreed to restructure the payment of the Shutdown Settlement Amount currently expected to be due under Section 7.01(A)(iii) of the PSA, as follows:

- a) The Shutdown Settlement Amount due on June 19, 2017 if Wenatchee Works remains Shutdown on such date will be paid in part and deferred in part on the following terms and conditions:
 - i. Purchaser will pay the District a total of \$7,325,000 on June 19, 2017 (the “*Deferral Payment*”). The Deferral Payment represents (A) the difference between the amount of the Shutdown Settlement Amount that would be due in 2017 and the amount of the Shutdown Settlement Amount that would be due in 2018, in each case as calculated per Appendix E (as adjusted by Amendment Two to Restated and Amended Industrial Sales Contract dated 7/14/08) of \$4,538,552 plus (B) an additional negotiated amount as consideration for the deferral.
 - ii. The Deferral Payment is non-refundable even if Purchaser should restart operations at Wenatchee Works at any time after its payment thereof and before the Deferral Period (defined below) expires on June 19, 2018.
 - iii. In return for the Deferral Payment, the District agrees to defer the payment of the \$62,411,021 remaining balance of the Shutdown Settlement Amount (the “*Deferred Balance*”) until the earliest to occur of (i) June 19, 2018 or (ii) the date Alcoa formally announces the permanent Shutdown of Wenatchee Works or (iii) the PSA is terminated in accordance with its terms (the “*Deferral Period*”).
 - iv. If Purchaser satisfies the Startup Conditions prior to June 19, 2018, the Deferred Balance will not become due pursuant to clause (iii) above, and the Shutdown Settlement Amount contemplated under the provisions of Section 7.01(a)(iii) and as set out at Appendix E, as amended, will not become due unless and until a subsequent Shutdown occurs, in which case, the provision of Section 7.01(a)(iii) again will apply. For the avoidance of doubt, if Purchaser meets the Startup Conditions prior to June 19, 2018, the Shutdown Settlement Amounts will continue to reduce in accordance with provisions of the PSA as set forth at Appendix E, as amended. If a subsequent Shutdown occurs after the Startup Conditions have been met, the applicable Shutdown Settlement Amount, as of the date of such subsequent Shutdown (as shown in Appendix E, as amended), shall become due on the day following the determination that a second Shutdown has occurred.
 - v. If Purchaser has not satisfied the Startup Conditions prior to June 19, 2018 and the Agreement has not therefore been terminated, the Deferred Balance would be due and payable on June 19, 2018, and all remaining provisions of the PSA shall apply.

3. Performance Assurance. Notwithstanding anything to the contrary in the PSA or the Collateral Deposit Agreement dated as of June 14, 2013, as amended, the Collateral Requirement required under the Collateral Deposit Agreement, and the Performance Assurance required under the PSA, currently in the amount of \$83,025,254, will remain the same, without recalculation, through June 20, 2018. A new Collateral Requirement calculation would be performed by June 20, 2018 in accordance with the PSA and Collateral Deposit Agreement.

4. Preservation of PSA; Reaffirmation. Except as modified and amended by the terms hereof, the terms and provisions of the PSA are hereby incorporated herein by reference as if expressly set forth herein, are hereby reaffirmed and shall continue in full force and effect. The parties acknowledge that no other amendment or modification to the PSA, whether oral or in writing, has been made from the date of its execution.

5. Authority to Sign. Each individual signing this Amendment Four on behalf of a Party warrants that he or she has all necessary power and authority to sign on behalf of and bind that Party.

6. Execution. This Amendment Four may be executed in any number of counterparts and by the Parties on separate counterparts, each of which, when so executed and delivered, shall be an original, but all such counterparts shall together constitute but one and the same instrument.

[Signature Pages to Follow]

IN WITNESS HEREOF, the Parties have executed this Amendment Four as of the date first written above.

“District”

**Public Utility District No. 1
of Chelan County, Washington**

By: _____

Print name: _____

Title: General Manager

Date: _____

“Purchaser”

Alcoa Power Generating Inc.

By: _____

Print name: _____

Title: _____

Date: _____

Alcoa Corporation

By: _____

Print name: _____

Title: _____

Date: _____

