BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

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In the Matter of the Application Liberty Utilities (CalPeco Electric) LLC (U 933-E) for Authorization to Issue Evidence of Short-Term Indebtedness and Other Related Requests.	Application 26-10-XXX (filed October 21, 2026)

APPLICATION OF LIBERTY UTILITIES (CALPECO ELECTRIC) LLC (U 933 E) TO ISSUE EVIDENCE OF SHORT-TERM INDEBTEDNESS OF UP TO $300,000,000 AND TO ENCUMBER UTILITY PROPERTY IN CONNECTION THEREWITH

LIBERTY UTILITIES (CALPECO ELECTRIC) LLC

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Dated: October 21, 2026

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In the Matter of the Application Liberty Utilities (CalPeco Electric) LLC (U 933-E) for Authorization to Issue Evidence of Short-Term Indebtedness and Other Related Requests.	Application 26-10-XXX (filed October 20, 2026)

APPLICATION OF LIBERTY UTILITIES (CALPECO ELECTRIC) LLC (U 933 E) TO ISSUE EVIDENCE OF SHORT-TERM INDEBTEDNESS OF UP TO $300,000,000 AND TO ENCUMBER UTILITY PROPERTY IN CONNECTION THEREWITH

I.

SUMMARY OF REQUESTED AUTHORIZATIONS

Pursuant to Sections 816 through 830, and 851 of the California Public Utilities Code and Rules 2.1, *et seq*. and 3.5 of the of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure ("Rules"), Liberty Utilities (CalPeco Electric), LLC (U 933 E) ("Liberty" or "Applicant") respectfully requests that the Commission grant Liberty authorization to do the following:

(i) Issue evidence of short-term indebtedness (maturities of 12 months or less) for an aggregate principal amount not to exceed $300 million through revolving credit agreements, promissory notes or other evidence of indebtedness, for the purposes of maintaining Liberty's capital structure to 52.50 percent equity and 47.50 percent debt as authorized by the Commission, refinancing Liberty's existing short-term and long-term debt incurred through intercompany borrowings, and funding the construction, completion, extension, or improvement of its facilities, excluding maintenance of service and replacements;

(ii) Encumber utility property in connection with the revolving credit agreements, promissory notes, or other evidence of indebtedness;

(iii) Exceed the short-term debt threshold set forth in Section 823(c) of the Public Utilities Code to allow necessary flexibility to meet short-term borrowing requirements and

managing financing needs to reduce overall debt and equity costs

(iv) Provide that authorization be effective upon payment of the fee prescribed in section 1904(b) of the Public Utilities Code; and

(v) Grant such further, additional and other relief as the Commission may deem to be necessary or proper.

The authorization requested in this Application is in addition to the unused authority granted by the Commission Decision (D.) 25-03-006 to issue evidence of long-term indebtedness for an aggregate principal amount not to exceed $500 million through intercompany promissory notes or other evidence of indebtedness and to encumber utility property in connection therewith through December 31, 2027. In light of current market conditions, Liberty needs to secure short-term debt authorization to facilitate Liberty's capital improvement plans authorized in its recent General Rate Case proceeding (D.26-03-017), and address persisting financial pressures driven by wildfire liabilities and wildfire insurance costs (annually $30,667,000 as referenced in D.26-03-017) and regulatory lag associated with recovery of costs recorded to multiple memorandum accounts, including Liberty's Wildfire Expense Memorandum Account. Liberty respectfully requests that its Application be acted upon as expeditiously as possible. Further, Liberty requests that the Commission's decision issued in this proceeding state explicitly that the financing authority granted herein through a date no earlier than December 31, 2029, consistent with the Commission's established practice as reflected in D. 00-12-054 and D. 07-02-014.

II.

BACKGROUND AND BASIS FOR LIBERTY'S REQUEST

A. Corporate Background and Service Territory

Liberty is a limited liability company organized and existing under the laws of the state of California with its principal place of business at 933 Eloise Avenue, South Lake Tahoe, California 96150. Liberty is a wholly-owned subsidiary of Liberty Utilities Co. ("LUCo"). Liberty currently serves approximately 50,000 residential and commercial/industrial customers in California in portions of seven counties around the Lake Tahoe area. The service territory is geographically compact and generally encompasses the western portions of the Lake Tahoe Basin (almost 80% of Liberty's customers are in the Lake Tahoe Basin), extending north to Portola and south to Walker. The terrain in Liberty's service territory is mountainous and heavily forested, with elevations ranging from 9,050 feet in Squaw Valley to just under 5,000 feet at Portola. Most of Liberty's customers are located at

elevations higher than 6,000 feet. Liberty is winter-peaking with peak loads occurring at night, typically during the holiday season, as its electric load within the service territory reflects the economic activities in the Lake Tahoe area. While Liberty has few industrial customers, it has large seasonal and highly variable loads associated with ski resorts and hotel operations. Approximately half of the electricity Liberty delivers is to residential customers, and approximately 60 percent of its residential accounts are second vacation homes or rentals.

Liberty's service territory differs greatly from the territories of California's three large electric investor-owned utilities (IOUs), as 94% of its service territory is situated in high fire risk areas. Despite having significantly fewer connections and less financial resources, Liberty is subject to the same inverse condemnation standard and increasing wildfire and severe weather risks as those large IOUs. However, Liberty is not able to participate in the California Wildfire Fund, which is limited to the state's three large electric IOUs for whom it has provided and continues to provide a critical financial backstop for eligible claims, reduce uninsured exposure and support credit stability. Liberty must manage wildfire liability entirely through other options such as commercial insurance and prudent risk management, without this state-supported mechanism.

This lack of access amplifies Liberty's exposure to uninsured losses and inverse condemnation risks as a single large event could have disproportionate impacts on its smaller customer base and rate base. Although Liberty is notably smaller than the three large electric IOUs (including substantially fewer customers and connections and far lower revenues and net plant), Liberty must meet comparable expectations and requirements to deliver high-quality Wildfire Mitigation Plans (WMP), and to achieve the targets set in those plans. Additionally, unlike the three large electric IOUs, Liberty also faces a unique regulatory risk as it cannot benefit from the Cost of Capital Mechanism (CCM) available to the state's large electric utilities.[1] The benefits of the CCM to the three large electric IOUs occurred in recent years when the CCM was triggered during the period from October 2022 through September 2023 resulting in 70 basis point increase for their respective ROEs.[2]

Notwithstanding Liberty's inability to access the California Wildfire Fund and ineligibility for the CCM, Liberty shares the concerns expressed by its large counterparts underpinning the need for

[1] *See* D.08-05-035, pp.1 and 5 and D.22-12-031 at 49, FOF 51.
[2] *See* D.24-11-025, pp. 2-3.

legislative changes to further mitigate the financial wildfire risk faced by utilities.[3] Absent such changes to enhance the protective framework for utilities, Liberty and its large counterparts all face challenges in prioritizing and deploying future capital and addressing higher interest rates associated with new borrowings. Liberty must take steps to mitigate the rising cost of debt getting passed onto customers and ensure its financial soundness and continue to attract capital. Accordingly, Liberty's Application seeks authorization for short-term indebtedness of up to $300 million via secured, revolving credit agreements, promissory notes or other evidence of indebtedness to address working capital and other short-term borrowing needs, including funding of construction for which cost recovery is expected over the next twelve months or prior to securing long-term financing, financing balancing and memorandum accounts, and accessing funds for emergent needs due to unforeseen events (including those related to wildfire risks).

B. Property

A general description of Liberty's property and its field of operation, the original cost of its property and equipment, by class, and the cost thereof to Liberty and the depreciation and amortization reserves applicable to such property and equipment are contained in Liberty's consolidated financial statements.

C. Financial Information

Financial Statements in accordance with Rule 2.3, including Liberty's latest available consolidated financial statements as of and for the six and twelve months ended June 30, 2026 and December 31, 2025, respectively that include regulatory account activity and notes concerning Liberty's current capitalization, are attached hereto as Exhibit A and incorporated herein by reference. As of June 30, 2026, Liberty's common equity ratio was approximately 49.4%. Liberty does not have any preferred stock; the capital structure consists only of common equity and long-term debt. Liberty is in compliance with all applicable affiliate transaction rules with regard to its relationships with affiliates and subsidiaries, including but not limited to those enumerated in D.97-12-088 (as modified by D.98-08-035, D.98-12-075, D.99-09002, and D.02-02-046), D.06-12-029, and D.10-10-017. A copy of Liberty's Articles of Organization and Certificate of Status are attached hereto as Exhibit B.

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[3] *See* https://www.utilitydive.com/news/california-utilities-credit-downgrades-wildfire-liability-edison/826678/ (Accessible as of August 6, 2026); https://www.latimes.com/business/story/2026-08-05/utilities-threaten-action-if-lawmakers-fail-to-cut-their-wildfire-liability-risk (Accessible as of October 20, 2026); https://www.utilitydive.com/news/wildfires-weigh-on-pge-as-california-sees-modest-large-load-demand/818715/ (Accessible as of October 20, 2026)

III.

CATEGORIZATION AND SCHEDULE

Pursuant to Commission Rule 7.1, this Application is a rate setting proceeding, even though it does not set rates, because it does not clearly fit in any other category. Liberty does not believe evidentiary hearings are necessary in this proceeding because it does not anticipate any issues arising from this Application as Liberty's purposes for issuing the debt covered by this Application are among the approved purposes listed in Section 817 of the California Public Utilities Code. Liberty does not request authority to issue debt to fund specific future capital projects or other purposes listed in Section 817, which might require a determination of reasonableness or necessity for the acquisition, construction or maintenance of utility property.

The authorization requested herein does not presuppose the reasonableness of the cost of this debt or the resultant capital structure for calculation of Liberty's rates. The Commission sets the cost of capital and capital structure for Liberty in its General Rate Case ("GRC") proceedings. Any debt issued pursuant to the authorization sought in this Application will be consistent with the capital structure authorized by the Commission in Liberty's most recent GRC (D.26-03-017 issued March 30, 2026).

As Applications for financing authority have historically been treated on an *ex parte* basis, Liberty respectfully requests that the Commission find that no hearing is necessary, so that the grant of the authorizations sought herein at the earliest possible date will permit Liberty to proceed with its proposed financings in an expeditious manner. Such expeditious treatment will, in turn, allow Liberty to pursue its utility objectives in a more timely and cost-effective manner to the benefit of ratepayers.

Accordingly, Liberty proposes the following schedule:

EVENT	DATE
Filing of Application	October 20, 2026
Deadline for Protest	November 24, 2026 (Estimated)
Deadline for Reply to Protest	December 8, 2026 (Estimated)
Proposed Decision	January 2027
Final Decision	February 2027

If no protests or responses are filed within 30 days of notices of the Application appearing on the Daily Calendar, Liberty requests that the reply period be eliminated. In the event that the Application is not contested and the Proposed Decision grants the authorizations requested, Liberty requests that the

Commission reduce the period for public review and comment on the Proposed Decision pursuant to Commissions Rules of Practice and Procedure, Rule 14.6(c)(2).

IV.

PURPOSES FOR DEBT ISSUANCE/USE OF PROCEEDS

Liberty proposes to use the proceeds authorized pursuant to this Application for the purposes set forth in the subsections (b), (f) and (g) of Section 817 of the California Public Utilities Code. Liberty will use the proceeds that it receives from the short-term debt issuances for (1) temporary financing the construction, completion, extension, or improvement of its facilities and under collection of balancing accounts; (2) refinancing short-term and long-term debt incurred through intercompany borrowings by entering into a secured revolving credit arrangements with its parent company, LUCo, or revolving credit agreements, promissory notes or other evidence of indebtedness with third parties if such opportunities arise; and (3) satisfying other short-term borrowing needs that may arise from time to time.

On October 4, 2024, Liberty filed Application (A.) 24-10-001 for authority to increase its long-term indebtedness in an aggregate principal amount not to exceed $500 million and to encumber utility property in connection with intercompany promissory notes or other evidence of indebtedness. Liberty proposed to use the proceeds from long-term debt issuances to (1) construct, complete and improve its facilities, (2) rebalance its capital structure to 52.50 percent equity and 47.50 percent debt in compliance with D.23-04-043,[4] and (3) refinance its short-term debt incurred through intercompany borrowings which, as of December 31, 2023 totaled $392,461,000.[5] In D.25-03-006, the Commission granted the application and authorized Liberty to issue evidence of long-term indebtedness for an aggregate principal amount not to exceed $500 million for the proposed uses and to encumber utility property through intercompany promissory notes or other evidence of indebtedness through December 31, 2027.

Between December 31, 2023 and August 2025, Liberty's short-term debt balances under a revolving credit agreement with LUCo grew to approximately $521.77 million primarily to finance the settlement of claims arising from the Mountain View Fire in Liberty's service territory which were recorded to Liberty's WEMA. Subsequent to the issuance of D.25-03-006 and as of the date of this Application, Liberty entered into two secured promissory notes (one in September 2025 and one in June

[4] Under Liberty's 2025 GRC decision, Liberty's authorized capital structure remains at 52.50 percent equity and 47.50 percent debt. See, D.26-03-017, pp. 2, 36.

[5] D.25-03-006, pp. 4-6.

2026) with LUCo representing a total of $350 million in long-term debt. As of June 30, 2026, Liberty's equity ratio is approximately 49.4% based on its capital structure of common equity and long-term debt and there remains $150 million of long-term debt authorization under D.25-03-006 through December 31, 2027. Although the long-term debt issuance did allow for the refinancing of Liberty's short-term debt incurred through intercompany borrowings and materially reduced Liberty's short-term debt balances, Liberty seeks the short-term borrowing authorization in this Application to allow for greater financial flexibility, to facilitate access to capital for temporary financing on reasonable terms, to potentially take advantage of refinancing/retirement opportunities, and to continue managing its capital structure.

The following is a list of capital projects, by category, under consideration including those authorized in Liberty's 2025 GRC decision (D.26-03-017).

	2026	2027	2028
Distribution	6,889,010	8,846,493	11,201,029
Substation	1,450,000	430,946	452,493
Wildfire	31,715,875	21,414,180	50,000,000
Customer-Driven	7,701,132	8,221,162	10,437,754
Other	8,295,000	6,776,469	7,321,571
Total	56,051,017	45,689,250	79,412,846

While Liberty plans to finance these capital expenditures with proceeds from long-term debt, Liberty anticipates the need to fulfill its commitments with short-term borrowings on a periodic basis. Liberty developed a three-year projection of cash requirements during the calendar years 2026 through 2028, which is reflected in the pro forma financial statements included in Exhibit C.

Liberty's three year (2026- 2028) projected capital expenditures of approximately $181.15 million, and callable long-term debt of $385.40 million, all support Liberty's request for short-term debt capacity up to $300 million. The proceeds from the debt issuances are reasonably required for the purposes outlined above, and as discussed in the following section, the terms of the financing are the most cost-effective and expeditious way to secure the funds through short-term borrowing which are not chargeable to operating expenses or income.

V.

PROPOSED SHORT-TERM DEBT FINANCING

Pursuant to this Application, Liberty requests authority to issue evidence of short-term debt in

the aggregate principal amount not to exceed $300,000,000 through the issuance of a secured revolving credit agreement or other evidence of indebtedness with terms of 12 months or less. This amount will provide Liberty with adequate liquidity and flexibility to accommodate its required seasonal working capital needs and other long-term temporary financing requirements. A copy of Liberty's existing revolving credit agreement with LUCo and related amendments are attached hereto as Exhibit D. Under the terms of this agreement with LUCo (Section 2.09), loans bear interest at the daily rate equal to the weighted average daily rate paid by LUCo on its outstanding commercial paper issuance plus 50 basis points, or the rate per annum equal to the interest rate paid by LUCo under its credit agreement with JP Morgan Chase Bank N.A. if LUCo exhausts its commercial paper capacity. The requested short-term debt authorization of $300 million would correspond with the amount of short-term borrowing capacity under the proposed, secured revolving credit agreement that Liberty would enter into with LUCo upon approval of this Application. A copy of the form of Pledge and Security Agreement to secure the Revolving Credit Agreement is attached hereto as Exhibit E.

Although Liberty is not required to borrow from LUCo, Liberty's financing arrangement with LUCo provides important benefits. Liberty has less access to the capital markets than LUCo, while LUCo is a larger holding company and its securities are issued in transactions of sufficient size to ensure financing obtains the most favorable market rate possible. LUCo can respond quickly to and take advantage of changes in the debt market as an established issuer through the United States 144A market. Through its arrangement with LUCo and based on LUCo's credit ratings, Liberty is better equipped to attract capital for necessary investment and achieve flexibility and savings. The intercompany revolving credit facility with LUCo provides Liberty with an efficient source of short-term liquidity that supports ongoing operations and working capital requirements. Financing through LUCo allows Liberty to leverage the parent company's scale, credit profile, and access to capital markets, which may result in more favorable financing terms and lower transaction costs than Liberty could reasonably achieve on a standalone basis. Thus, Liberty's arrangement with LUCo, through more favorable financing terms, helps lower the cost of utility services to Liberty's customers.

Additionally, in order to obtain the most favorable terms for the short-term debt financing, Liberty will be required to provide a security interest and continuing lien on its assets and properties. Liberty maintains that the proposed encumbrances on its property are necessary to facilitate access to the financing terms as detailed above. Accordingly, pursuant to Section 851 of the Public Utilities Code, Liberty respectfully requests authority to encumber utility property in connection with the proposed

financing and find that such encumbrances are reasonable and in the public interest.

Under Section 851, the primary function of the Commission is to determine whether encumbrance of utility property is in the public interest. Consistent with multiple Commission decisions, Liberty contends that the cost of a secured short-term debt is less than an unsecured debt and that customers will benefit from a secured debt facility. In connection with Liberty's recent long-term debt financing application, the Commission granted authorization under Section 851 concluding that: "Because any financing offers by external lenders would require comparable securitization, encumbering its property facilitates access to the favorable terms with LUCo detailed in its Application. Encumbering utility property to secure favorable financing terms is therefore reasonable and in the public interest."[6]

Based upon Liberty's unaudited, interim financial statements, Liberty's total capitalization (excluding accumulated surplus) as of June 30, 2026, is set forth in the table below.

	Jun-26
Member's Capital	$ 132,444.00
Long Term Debt	$ 346,900.00
Total Capitalization	$ 479,344.00
5%	$ 23,967.20

Based on its total capitalization, Liberty has authority to issue up to $23.967 million of short-term debt under Section 823(c). Accordingly, as Liberty's requested short-term debt exceeds the five percent (5%) threshold under Section 823(c), Liberty is requesting authorization to make short-term borrowings in excess of five percent of the par value of its other securities then outstanding by $276.033 million. Although Liberty has maintained short-term debt balances to LUCo that exceeded the 5% threshold for a period extending back several years to address increasing wildfire-related costs and liabilities along with regulatory lag associated with recovery of multiple memorandum accounts, Liberty's use of intercompany borrowings to cover short-term debt financing needs helped mitigate the borrowing costs for its customers. While Liberty intends to reduce the level of short-term borrowing when practicable, the authorization of the foregoing amount in excess of the threshold is essential to provide necessary flexibility to meet short-term borrowing requirements, including any emergent needs, and manage

[6] D.25-03-006, p. 7.

financing needs in a way that controls overall debt and equity costs.

Liberty further requests confirmation of its ability to refinance existing short-term debt with the proceeds of new short-term debt. Existing Commission decisions confirm that utilities should have flexibility to change their particular short-term debt instruments from time to time, without having to return to the Commission for specific approval.[7] The Commission has observed that were utilities to have to return to the Commission for specific approval for each such instance of seeking to refinance existing short-term debt with the proceeds of new short-term debt, it would result in inefficiency both at the utilities and at the Commission and thereby incur needless ratepayer costs for such rote efforts.[8] Therefore, Liberty respectfully request that the Commission find that Liberty has authority to use the proceeds of new short-term debt to refinance existing short-term debt, and that Liberty does not have to return to the Commission to obtain new authorization every time a short-term debt expires and Liberty wishes to refinance it with existing authorized new short-term debt, subject to the aggregate total authorized short-term debt authorized for Liberty in this proceeding.

If Liberty's Application is granted, Liberty's calculation of the fee required under Section 1904(b) is set forth in the table below:

	Rate	Amount
$1-$1,000,000	$2/$1,000	$2,000.00
$1,000,000-$10,000,000	$1/$1,000	$9,000.00
$10,000,000-$300,000,000	$0.50/$1,000	$145,000.00
	Total:	$156,000.00

VI.

FINANCING RULE

Pursuant to D.12-06-015 issued on June 7, 2012, the Commission adopted a new financing rule (the "New Financing Rule") to replace the Competitive Bidding Rule previously adopted under D. 38614, as amended in D. 49941, D. 75556, and D. 81908 and Commission Resolutions No. F-591 and No. F-616. Among the changes, the New Financing Rule allows utilities to choose whether to issue debt via competitive or negotiated bid, as long as the basis for the method is chosen to achieve the lowest cost of capital; requires utilities with $25 million or more of operating revenues to make every effort to

[7] *See* D.21-05-008 (citing D.19-09-008 and D.08-10-015).
[8] *Id.*

encourage, assist, and recruit Women-, Minority-, Disabled Veteran-Owned Business Enterprises ("WMDVBE") in being appointed as lead underwriter, book runner or co-manager of debt offerings; eliminates the notification and form of communication requirement for the solicitation of bids; has new requirements for the use of debt enhancement features; and provides additional exemptions applicable to use of the New Financing Rule.

Supplier Diversity Program. In compliance with Sections 8281-8286 of the California Public Utilities Code and the Commission's General Order 156, Liberty maintains a supplier diversity program ("SDP") that encourages women-, minority-, disabled veteran-, lesbian-, gay-, bisexual- and transgender-owned enterprises ("WMDVLGBTE") to supply Liberty with needed products and services. In Liberty's most recent Annual Report on the Utilization of WMDVLGBTE, Liberty reported that 24.03% of its 2023 annual procurement expenditures were awarded to WMDVLGBTE. Liberty continues to educate its employees about SDP and participates in outreach events for WMDVLGBTE. Additional information about Liberty's SDP was provided in testimony submitted with Liberty's 2025 GRC Application filed on September 20, 2024.

Liberty shall use its best efforts to encourage the participation of diverse suppliers in any transaction conducted under the requested authorization in this Application. In addition, where diverse suppliers are unavailable or unqualified to perform the subject services, Liberty will make its best efforts to encourage the secondary use of diverse suppliers by its elected suppliers, within the spirit of its SDP. Liberty will continue its commitment to use its best efforts to encourage the participation of diverse suppliers on any future financings.

VII.

COMMUNICATIONS CONCERNING APPLICATION

Correspondence or communications with regard to this application should be addressed and delivered to:

Daniel W. Marsh
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VIII.

EXHIBITS

Exhibit A	Liberty's Financial Statements as of and for the six and twelve months ended June 30, 2026 and December 31, 2025
Exhibit B	Liberty's Articles of Organization and Certificate of Status.
Exhibit C	Pro-Forma Financial Statement 2026-2028
Exhibit D	Liberty & LUCo Revolving Credit Agreements and Amendments thereto
Exhibit E	Form of Pledge and Security Agreement

IX.

REQUESTED AUTHORIZATIONS

Liberty respectfully requests that the Commission proceed expeditiously in the approval of this Application because the public interest does not require a hearing on the transactions for which authority is sought hereby, because no useful purpose would be served by such a hearing, and because the delay involved in a hearing would be adverse to the interest of both Liberty and its customers.

WHEREFORE, Liberty requests that this Commission issue its Order granting Liberty authorization to do the following:

(i) Issue short-term debt in the aggregate principal amount not to exceed $300 million through

revolving credit agreements, promissory notes, or other evidence of indebtedness, in one or more financings, for the purposes of (1) temporary financing the construction, completion, extension, or improvement of its facilities and under collection of balancing accounts; (2) refinancing short-term and long-term debt incurred through intercompany borrowings, and (3) satisfying other short-term borrowing needs that may arise from time to time;

(ii) Pledge or otherwise encumber utility property in order to secure Liberty's obligations under the promissory notes or other evidence of indebtedness;

(iii) Exceed the short-term debt threshold set forth in Section 823(c) by up to $276.033;

(iv) Provide that authorization be effective upon payment of the fee prescribed in section 1904(b) of the Public Utilities Code;

(v) Provide that the authorization granted herein shall be effective at the earliest date permitted by law and shall remain effective until December 31, 2029; and

(vi) Grant such further, additional and other relief as the Commission may deem to be necessary or proper.

Respectfully submitted,

LIBERTY UTILITIES (CALPECO ELECTRIC) LLC

/s/ Victor T. Fu
VICTOR T. FU
Attorney for
Liberty Utilities (CalPeco Electric) LLC

Dated: October 21, 2026

VERIFICATION

I, Eric Schwarzrock, am the President of Liberty Utilities (CalPeco Electric) LLC and am authorized to make this verification on its behalf. The statements in the foregoing document are true to my own knowledge, except to the matters which are therein stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on October 20, 2026, in Tahoe Vista, California.



Eric Schwarzrock
President

Exhibit A

Consolidated Financial Statements

Consolidated Financial Statements of

Liberty Utilities (CalPeco Electric) LLC

For the years ended December 31, 2025 and 2024

Liberty Utilities (CalPeco Electric) LLC
Consolidated Statements of Comprehensive Income

(thousands of U.S. dollars)	Years ended December 31, 2025	2024
Revenue		
Residential	**$ 81,262**	$ 79,087
Commercial	**78,236**	78,332
Other	**9,781**	9,105
	169,279	166,524
Expenses		
Energy purchased	**49,626**	47,288
Operating costs	**57,354**	62,736
Taxes other than income taxes	**9,644**	9,198
Depreciation and amortization of utility plant	**22,662**	21,090
	139,286	140,312
Operating income	**29,993**	26,212
Interest expense	**20,093**	20,387
Pension and post-employment non-service costs (note 6)	**35**	68
Loss on disposal	**7,781**	436
	27,909	20,891
Net earnings	**$ 2,084**	$ 5,321
Net effect of non-controlling interest (note 13)	**—**	(1,324)
Net earnings attributable to the member	**2,084**	6,645
Other comprehensive income:		
Change in unrealized pension and other post-employment benefits (note 6)	**—**	223
Comprehensive income	**$ 2,084**	$ 6,868

See accompanying notes to consolidated financial statements

Liberty Utilities (CalPeco Electric) LLC
Consolidated Balance Sheets

(thousands of U.S. dollars)	December 31, 2025	December 31, 2024
ASSETS		
Utility plant		
Utility plant in service	**786,908**	$ 713,956
Less: accumulated depreciation	**(114,150)**	(101,431)
	672,758	612,525
Construction work-in-progress	**38,296**	47,519
Utility plant, net (note 4)	**711,054**	660,044
Goodwill	**10,381**	10,381
Regulatory assets (note 5)	**240,035**	210,856
Other assets	**2,417**	7,096
Current assets		
Cash and cash equivalents	**1,941**	1,501
Supplies and consumables inventory	**12,832**	14,209
Accounts receivable, net (note 3)	**26,383**	39,206
Prepaid expenses and other	**17,180**	18,861
Regulatory assets (note 5)	**30,769**	33,237
	89,105	107,014
	$ 1,052,992	$ 995,391

Liberty Utilities (CalPeco Electric) LLC
Consolidated Balance Sheets

(thousands of U.S dollars)	December 31, 2025	December 31, 2024
LIABILITIES AND MEMBER'S EQUITY		
Member's equity		
Member's capital (note 10)	**$ 132,444**	$ 178,231
Accumulated surplus	**240,404**	238,320
Accumulated other comprehensive income	**924**	377
Total equity	**373,772**	416,928
Long-term debt with related Party (note 13)	**297,126**	—
Regulatory liabilities (note 5)	**35,011**	34,586
Pension and other post-employment benefits obligation (note 6)	**765**	1,026
Advances in aid of construction (note 9)	**24,494**	22,768
Asset retirement obligation	**909**	858
Current liabilities		
Short-term debt (note 7)	**—**	24,799
Accounts payable and accrued liabilities	**35,646**	35,602
Customer deposits	**224**	400
Regulatory liabilities (note 5)	**4,291**	1,274
Other post-employment benefit obligation (note 6)	**25**	36
Due to related parties (note 8)	**280,729**	457,114
	320,915	519,225
Commitments and contingencies (note 11)		
Subsequent events (note 15)		
	$ 1,052,992	$ 995,391

See accompanying notes to consolidated financial statements

Liberty Utilities (CalPeco Electric) LLC
Consolidated Statements of Changes in Member's Interest

	Liberty Utilities (CalPeco Electric) LLC				
(thousands of U.S. dollars)	Member's capital	Accumulated surplus	Accumulated other comprehensive loss	Non-controlling interests	Total
Balance, December 31, 2023	$ 135,780	$ 231,675	$ 154	$ —	$ 367,609
Net earnings (loss)	—	6,645	—	(1,324)	5,321
Redeemable non-controlling interests not included in member's equity (note 13)	—	—	—	1,324	1,324
Additional paid-in capital	42,451				42,451
Other comprehensive income	—	—	223	—	223
Balance, December 31, 2024	$ 178,231	$ 238,320	$ 377	$ —	$ 416,928
Net earnings (loss)	**—**	**2,084**	**—**	**—**	**2,084**
Redeemable non-controlling interests not included in member's equity (note 13)	**—**	**—**	**—**	**—**	**—**
Additional paid-in capital	**(45,787)**	**—**	**—**	**—**	**(45,787)**
Other comprehensive income	**—**	**—**	**547**	**—**	**547**
Balance, December 31, 2025	**$ 132,444**	**$ 240,404**	**$ 924**	**$ —**	**$ 373,772**

See accompanying notes to consolidated financial statements

Liberty Utilities (CalPeco Electric) LLC
Consolidated Statements of Cash Flow

(thousands of U.S. dollars)

	Years ended December 31,	
	2025	2024
Cash provided by (used in):		
Operating Activities		
Net earnings	**$ 2,084**	$ 5,321
Items not affecting cash:		
Depreciation and amortization of utility plant	**22,662**	21,090
Cost of equity funds used for construction purposes	**(173)**	(311)
Write-down of assets	**7,616**	(72)
Pension and post-employment contributions in excess of expense	**(182)**	1,016
Changes in non-cash operating items (note 12)	**(22,322)**	47,694
	9,685	74,738
Financing Activities		
Increase in advances in aid of construction	**58,942**	959
	58,942	959
Investing Activities		
Additions to utility plant	**(68,187)**	(75,662)
Increase in cash and cash equivalents	**440**	35
Cash and cash equivalents, beginning of period	**1,501**	1,466
Cash and cash equivalents, end of period	**$ 1,941**	$ 1,501

Supplemental disclosure of cash flow information:	**2025**	2024
Cash paid during the year for interest expense (note 7)	**$ 29,445**	$ 30,948
Non-cash transactions: Utility plant in accruals	**$ (15,202)**	$ 4,503

See accompanying notes to consolidated financial statements

Liberty Utilities (CalPeco Electric) LLC (the "Company") is a limited liability company organized on April 14, 2009 under the laws of California. The Company is in the business of providing regulated electric distribution service to approximately 50,000 customers in the Lake Tahoe region of California.

The Company is 100% owned by Liberty Utilities Co. ("Liberty Utilities").

1. Significant accounting policies

(a) Basis of preparation

The accompanying consolidated financial statements and notes have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP").

(b) Basis of consolidation

The accompanying consolidated financial statements of the Company include the accounts of the Company and its wholly owned subsidiaries, Liberty Utilities (Luning Holdings) LLC and Liberty Utilities (Turquoise Holdings) LLC. Intercompany transactions and balances have been eliminated. Interests in subsidiaries owned by third parties are included in non-controlling interests (note 1(l)).

(c) Business combinations and goodwill

The Company accounts for acquisitions of entities or assets that meet the definition of a business as business combinations. Business combinations are accounted for using the acquisition method. Assets acquired and liabilities assumed are measured at their fair value at the acquisition date. Acquisition costs are expensed in the period incurred. When the set of activities does not represent a business, the transaction is accounted for as an asset acquisition and includes acquisition costs. Goodwill represents the excess of the purchase price of an acquired business over the fair value of the net assets acquired. Goodwill is not included in the rate-base on which the utility is allowed to earn a return and is not amortized.

As at September 30 of each year, the Company assesses qualitative and quantitative factors to determine whether it is more likely than not that the fair value of a reporting unit to which goodwill is attributed is less than its carrying amount. If it is more likely than not that a reporting unit's fair value is less than its carrying amount or if a quantitative assessment is elected, the Company calculates the fair value of the reporting unit. If the carrying amount of the reporting unit as a whole exceeds the reporting unit's fair value, an impairment charge is recorded in an amount of that excess, limited to the total amount of goodwill allocated to that reporting unit. Goodwill is tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount.

(d) Accounting for rate-regulated operations

The Company is subject to rate regulation overseen by the public utility commission in California (the "Regulator"). The Regulator provides the final determination of the rates charged to customers. The Company is accounted for under the principles of U.S. Financial Accounting Standards Board ("FASB") ASC Topic 980, *Regulated Operations* ("ASC 980"). Under ASC 980, regulatory assets and liabilities are recorded to the extent that they represent probable future revenue or expenses associated with certain charges or credits that will be recovered from or refunded to customers through the rate-making process. Included in note 5, "Regulatory matters" are details of regulatory assets and liabilities, and their current regulatory treatment.

In the event the Company determines that its net regulatory assets are not probable of recovery, it would no longer apply the principles of the current accounting guidance for rate-regulated enterprises, and would be required to record an after-tax, non-cash charge or credit against earnings for any remaining regulatory assets or liabilities. The impact could be material to the Company's consolidated reported financial condition and consolidated results of operations.

The Company's accounts are maintained in accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission ("FERC").

1. Significant accounting policies (continued)

(e) Cash and cash equivalents

Cash and cash equivalents include all highly liquid instruments with an original maturity of three months or less.

(f) Accounts receivable

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The Company maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable portfolio. In establishing the required allowance, management considers historical losses adjusted to take into account current market conditions and customers' financial condition, the amount of receivables in dispute, future economic conditions and outlook, and the receivables aging and current payment patterns. Account balances are charged against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company does not have any off-balance-sheet credit exposure related to its customers.

(g) Supplies and consumables inventory

Supplies and consumables inventory (other than capital spares and rotatable spares, which are included in utility plant) are charged to inventory when purchased and then capitalized to plant or expensed, as appropriate, when installed, used or upon becoming obsolete. These items are stated at the lower of cost and net realizable value. Through rate orders and the regulatory environment, capitalized construction jobs are recovered through rate base and repair and maintenance expenses are recovered through a cost of service calculation. Accordingly, the cost usually reflects the net realizable value.

(h) Utility plant

Utility plant of the Company consists of solar generation assets and electricity distribution assets used to generate and distribute electricity within a specific geographic service territory to supply end users with electricity. These assets include solar panels, inverters, poles, towers and fixtures, low-voltage wires, transformers, overhead and underground conductors, street lighting, meters, metering equipment and other related equipment.

The costs of acquiring or constructing plant include the following: materials, labor, contractor and professional services, construction overhead directly attributable to the capital project (where applicable) and allowance for funds used during construction ("AFUDC"). Where possible, individual components are recorded and depreciated separately in the books and records of the Company. Plant under finance leases are initially recorded at cost determined as the present value of lease payments to be made over the lease term.

AFUDC represents the cost of borrowed funds and a return on other funds. Under ASC 980, an allowance for funds used during construction projects that are included in rate base is capitalized. This allowance is designed to enable a utility to capitalize financing costs during periods of construction of property subject to rate regulation. The AFUDC capitalized that relates to equity funds is recorded as other income on the consolidated statements of comprehensive income.

	2025	2024
AFUDC capitalized on regulated property:		
Allowance for borrowed funds	**$ 121**	$ 115
Allowance for equity funds	**173**	311
	$ 294	$ 426

Improvements that increase or prolong the service life or capacity of an asset are capitalized. Maintenance and repair costs are expensed as incurred.

1. Significant accounting policies (continued)

(h) Utility plant (continued)

Contributions in aid of construction represent amounts contributed by customers, governments and developers to assist with the funding of some or all of the cost of utility capital assets. They also include amounts initially recorded as advances in aid of construction (note 9) but where the advance repayment period has expired. These contributions are recorded as a reduction in the cost of utility assets and are amortized at the rate of the related asset as a reduction to depreciation expense.

The Company's depreciation is based on the estimated useful lives of the depreciable assets in each category and is determined using the straight-line method. The ranges of estimated useful lives and the weighted average useful lives are summarized below:

	Range of useful lives		**Weighted average useful lives**	
	2025	2024	**2025**	2024
Plant	**10-82**	10-179	**61**	46
Equipment, office furniture and improvements	**10-25**	15-25	**15**	17

In accordance with regulator-approved accounting policies, when depreciable plant is replaced or retired, the original cost plus any removal costs incurred (net of salvage) are charged to accumulated depreciation with no gain or loss reflected in consolidated results of operations. Gains and losses will be charged to consolidated results of operations in the future through adjustments to depreciation expense.

(i) Impairment of long-lived assets

The Company reviews utility plant and intangible assets for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. Recoverability of assets expected to be held and used is measured by comparing the carrying amount of an asset to undiscounted expected future cash flows. If the carrying amount exceeds the recoverable amount, the asset is written down to its fair value.

(j) Pension and other post-employment plans

The Company has established defined contribution pension plans, defined benefit pension plans, and other post-employment benefit ("OPEB") plans for its various employee groups. Employer contributions to the defined contribution pension plans are expensed as employees render service. The Company recognizes the funded status of its defined benefit pension plans and OPEB plans on the consolidated balance sheets. The Company's expense and liabilities are determined by actuarial valuations, using assumptions that are evaluated annually as of December 31, including discount rates, mortality, assumed rates of return, compensation increases, turnover rates and healthcare cost trend rates. The impact of modifications to those assumptions and modifications to prior services are recorded as actuarial gains and losses in accumulated other comprehensive income ("AOCI") and amortized to net periodic cost over future periods using the corridor method. When settlements of the Company's pension plans occur, the Company recognizes associated gains or losses immediately in earnings if the cost of all settlements during the year is greater than the sum of the service cost and interest cost components of the pension plan for the year. The amount recognized is a pro rata portion of the gains and losses in AOCI equal to the percentage reduction in the projected benefit obligation as a result of the settlement. The costs of the Company's pension for employees are expensed over the periods during which employees render service and are recognized as part of operating costs in the consolidated statements of comprehensive income.

The components of net periodic benefit cost other than the service cost component are included in pension and other post-employment non-service costs in the consolidated statements of comprehensive income.

1. Significant accounting policies (continued)

(k) Leases

The Company accounts for leases in accordance with ASC Topic 842, *Leases* ("ASC 842").

The Company leases office equipment for use in its day-to-day operations. The Company has options to extend the lease term of many of its lease agreements, with renewal periods ranging from one to five years. As at the consolidated balance sheet date, the Company is not reasonably certain that these renewal options will be exercised.

The right-of-use assets are included in plant while lease liabilities are included in operating leases on the consolidated balance sheets. The discount rates used in the measurement of the Company's right-of-use assets and liabilities are the discount rates at the date of lease inception. The Company's lease balances as at December 31, 2025 and its expected lease payments for the next five years and thereafter are not significant.

(m) Revenue Recognition

Revenue is recognized when control of the promised goods or services is transferred to the Company's customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

Revenue related to utility electricity distribution is recognized over time as the energy is delivered. At the end of each month, the electricity delivered to the customers from the date of their last meter read to the end of the month is estimated and the corresponding unbilled revenue is recorded. These estimates of unbilled revenue and sales are based on the ratio of billable days versus unbilled days, amount of electricity procured during that month, historical customer class usage patterns, weather, line loss, and current tariffs. Unbilled receivables are typically billed within the next month. Some customers elect to pay their bill on an equal monthly plan. As a result, in some months cash is received in advance of the delivery of electricity. Deferred revenue is recorded for that amount. The amount of revenue recognized in the period from the balance of deferred revenue is not significant.

On occasion, the utility is permitted to implement new rates that have not been formally approved by the regulatory commission, which are subject to refund. The Company recognizes revenue based on the interim rate and if needed, establishes a reserve for amounts that could be refunded based on experience for the jurisdiction in which the rates were implemented.

The Company's revenue is subject to alternative revenue programs approved by its Regulator, which require to charge approved annual delivery revenue on a systematic basis over the fiscal year. As a result, the difference between delivery revenue calculated based on metered consumption and approved delivery revenue is disclosed as alternative revenue and is recorded as a regulatory asset or liability to reflect future recovery or refund, respectively, from customers (note 5). The amount subsequently billed to customers is recorded as a recovery of the regulatory asset. The Company's revenues include $2,195 (2024 - $1,673) related to alternative revenue programs for the year ended December 31, 2025.

(n) Income taxes

The Company is a limited liability company and is a disregarded entity for income tax purposes. Accordingly, it is not subject to federal income taxes or state income taxes. The tax on the Company's net earnings is borne by the member through the allocation of taxable income. Net earnings for financial statement purposes may differ significantly from taxable income of the member because of differences between the tax basis and financial reporting basis of assets and liabilities, and the taxable income allocation requirements under the operating agreement. The aggregate difference in the basis of the net assets for financial and tax reporting purposes cannot be readily determined because it is based on the information regarding the member's tax attribute.

(o) Financial instruments and derivatives

Accounts receivable and notes receivable are measured at amortized cost. Long-term debt is measured at amortized cost using the effective interest rate method, adjusted for the amortization or accretion of premiums or discounts.

1. Significant accounting policies (continued)

Transaction costs related to a recognized debt liability are presented in the consolidated balance sheets as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts and premiums. Deferred financing costs, premiums and discounts on long-term debt are amortized on a straight-line basis over the term of the financial liability as required by the Regulator.

The Company, enters into power purchase contracts for load serving requirements. These contracts meet the exemption for normal purchase and normal sales and as such, are not required to be recorded at fair value as derivatives and are accounted for on an accrual basis. Counterparties are evaluated on an ongoing basis for non-performance risk to ensure it does not impact the conclusion with respect to this exemption.

(p) Fair value measurements

The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 Inputs: unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 Inputs: other than quoted prices included in level 1, inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Inputs: unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

(q) Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

(r) Use of estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as the date of these consolidated financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. During the years presented, management has made a number of estimates and valuation assumptions, including the useful lives and recoverability of utility plant and goodwill; assessments of unbilled revenue; pension and OPEB obligations; timing effect of regulated assets and liabilities; and the fair value of assets and liabilities acquired in an asset acquisition. These estimates and valuation assumptions are based on present conditions and management's planned course of action, as well as assumptions about future business and economic conditions. Should the underlying valuation assumptions and estimates change, the recorded amounts could change by a material amount.

2. Recently issued accounting pronouncements

Recently issued accounting guidance not yet adopted

On November 4, 2025, the FASB issued ASU 2025-03, *Disaggregation of Income Statement Expenses (DISE)*, requiring additional disclosure of the nature of expenses included in the income statement in response to longstanding requests from investors for more information about an entity's expenses. The new standard requires disclosures about specific types of expenses included in the expense captions presented on the face of the income statement as well as disclosures about selling expenses. The new guidance applies to all public business entities

and is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods within annual reporting periods beginning after December 15, 2027. The requirements will be applied prospectively with the option for retrospective application. Early adoption is permitted. The Company is currently evaluating the impact from the new FASB accounting guidance.

3. Accounts receivable

Accounts receivable as of December 31, 2025, include unbilled revenue of $10,967 (2024 - $10,611). Accounts receivable as of December 31, 2025 are presented net of allowance for doubtful accounts of $975 (2024 - $1,054).

4. Utility plant

Utility plant of the Company consists of solar generation assets and electricity distribution assets used to generate and distribute electricity within a specific geographic service territory to supply end users with electricity. These assets include solar panels, inverters, poles, towers and fixtures, low-voltage wires, transformers, overhead and underground conductors, street lighting, meters, metering equipment and other related equipment.

	2025	2024
Land and land rights	**$ 3,878**	$ 3,878
Plant	**713,705**	679,301
Equipment, office furniture and improvements	**69,326**	30,777
	786,909	713,956
Accumulated depreciation	**(114,150)**	(101,431)
	672,759	612,525
Construction work-in-progress	**38,295**	47,519
Net utility plant	**$ 711,054**	$ 660,044

5. Regulatory matters

The Company is subject to rate regulation by the California Public Utilities Commission ("CPUC"), and the FERC in some instances. The CPUC has jurisdiction with respect to rate, service, accounting procedures, issuance of securities, acquisitions and other matters. The Company operates under cost-of-service regulation as administered by the CPUC. The Company uses a test year in the establishment of its rates and pursuant to this method, the determination of the rate of return on approved rate base and deemed capital structure, together with all reasonable and prudent costs, establishes the revenue requirement upon which the Company's customer rates are determined.

The Company is accounted for under the principles of ASC 980. Under ASC 980, regulatory assets and liabilities that would not be recorded under U.S. GAAP for non-regulated entities are recorded to the extent that they represent probable future revenue or expenses associated with certain charges or credits that will be recovered from or refunded to customers through the rate-setting process.

The Company is required to file a rate case with its regulator on a regular three-year cycle. Rate cases seek to ensure that the Company has the opportunity to recover its operating costs and earn a fair and reasonable return on its capital investment as allowed by the regulatory authority under which the Company operates.

Revenue decoupling and vegetation management

The Company's revenue is subject to a decoupling mechanism that decouples base revenue from fluctuations caused by weather and economic factors.

Post Test Year Adjustment Mechanism ("PTAM")

5. Regulatory matters (continued)

The PTAM allows the Company to update its rates annually by a cost inflation index. In addition, rates are allowed to be updated to recover the return on investment and associated depreciation of major capital projects.

Renewables Portfolio Standard

The Company is required to satisfy the current 49% California Renewables Portfolio Standard requirement. The 49% California Renewables Portfolio Standard is currently met through deliveries under a power purchase agreement that is structured in a manner that satisfies the CPUC resource adequacy ("RA") requirements, and is designed to enable the California Utility to comply with the associated RA reporting requirements, and from energy production at Luning Energy LLC (the "Luning Solar project") and Turquoise Liberty ProjectCo LLC (the "Turquoise Solar project"). In addition to unbundled PCC3 RECs (Renewable Energy Credits) solicited from the market.

Regulatory assets and liabilities of the following:

	December 31, 2025	December 31, 2024
Regulatory assets		
Rate adjustment mechanism (a)	**$ 76,313**	$ 77,728
Wildfire mitigation and vegetation management (b)	**139,625**	111,002
Storm costs (c)	**4,984**	5,131
Rate review costs (d)	**1,022**	446
Energy cost adjustment clause (e)	**32,967**	41,294
Income taxes (g)	**962**	—
Other	**14,931**	8,492
Total regulatory assets	**$ 270,804**	$ 244,093
Less: current regulatory assets	**(30,769)**	(33,237)
Non-current regulatory assets	**$ 240,035**	$ 210,856
Regulatory liabilities		
Cost of removal (f)	**$ 24,502**	$ 24,973
Income taxes (g)	**4,719**	8,581
Other	**10,081**	2,306
Total regulatory liabilities	**$ 39,302**	$ 35,860
Less: current regulatory liabilities	**(4,291)**	(1,274)
Non-current regulatory liabilities	**$ 35,011**	$ 34,586

(a) Rate adjustment mechanism

The Company is subject to a revenue decoupling mechanism approved by the Regulator, which requires charging approved annual delivery revenues on a systematic basis over the fiscal year. As a result, the difference between delivery revenue calculated based on metered consumption and approved delivery revenue is recorded as a regulatory asset or liability to reflect future recovery or refund, respectively, from customers.

(b) Wildfire mitigation and vegetation management

The regulatory asset for vegetation management includes wildfire insurance in the Company's California operations as well as spending related to dead trees program, to prevent future forest fires and general vegetation management.

5. Regulatory matters (continued)

(c) Storm costs

Incurred repair costs resulting from certain storms over or under amounts collected from customers, which are expected to be recovered or refunded through rates.

(d) Rate review costs

The costs to file, prosecute and defend rate review applications are referred to as rate review costs. These costs are capitalized and amortized over the period of rate recovery granted by the CPUC. The Company does not earn a return on these amounts but receives recovery of these costs in rates over the periods prescribed by the Regulator (three years).

(e) Energy cost adjustment clause ("ECAC")

ECAC is designed to recover the cost of electricity through rates charged to customers. Under deferred energy accounting, to the extent actual purchased power costs differ from purchased power costs recoverable through current rates, that difference is not recorded on the consolidated statements of comprehensive income but rather is deferred and recorded as a regulatory asset or liability on the consolidated balance sheets. These differences are reflected in adjustments to rates and recorded as an adjustment to cost of electricity in future periods, subject to regulatory review.

(f) Cost of removal

The regulatory liability for cost of removal represents amounts that have been collected from rate payers for costs that are expected to be incurred in the future to retire utility plant.

(g) Income taxes

As a result of the *Tax Act* being enacted in 2017, CPUC is contemplating the rate-making implications of the reduction of federal tax rates from the legacy 35% tax rate and the new 21% federal statutory income tax rate effective January 2018. The regulatory liability reflects the excess deferred taxes of the members normally reflected in the revenue requirement and probable of being refunded to customers. The Company is working with CPUC to identify the most appropriate way to address the impact of the *Tax Act* on cost of service based rates.

As recovery of regulatory assets is subject to regulatory approval, if there were any changes in regulatory positions that indicate recovery is not probable, the related cost would be charged to earnings in the period of such determination.

6. Pension and other post-employment benefits obligation

The Company provides defined contribution pension plans to substantially all of its employees. The Company's contributions for 2025 were $1,061 (2024 - $1,195).

The Company provides a defined benefit cash balance pension plan covering substantially all its employees, under which employees are credited with a percentage of base pay plus a prescribed interest rate credit. The Company also has an OPEB plan providing health care and life insurance coverage to eligible retired employees. Eligibility is based on age and length of service requirements and, in most cases, retirees must cover a portion of the cost of their coverage.

6. Pension and other post-employment benefits obligation (continued)

(a) Net pension and OPEB obligation

The following table sets forth the projected benefit obligations, fair value of plan assets, and funded status of the Company's plans as of December 31:

	Pension benefits		OPEB	
	2025	2024	**2025**	2024
Change in projected benefit obligation				
Projected benefit obligation, beginning of year	**$ 7,467**	$ 6,932	**$ 1,062**	$ 1,067
Service cost	**816**	918	**29**	31
Interest cost	**453**	408	**43**	47
Actuarial loss (gain)	**155**	(179)	**(347)**	(69)
Transfers	**—**	9	**—**	—
Benefits paid	**(498)**	(621)	**3**	(14)
Projected benefit obligation, end of year	**$ 8,393**	$ 7,467	**$ 790**	$ 1,062
Change in plan assets				
Fair value of plan assets, beginning of year	**7,943**	6,924	**—**	—
Actual return on plan assets	**1,026**	450	**—**	—
Employer contributions	**1,063**	1,181	**3**	14
Transfers	**—**	9		
Benefits paid	**(498)**	(622)	**(3)**	(14)
Fair value of plan assets, end of year	**$ 9,534**	$ 7,942	**$ —**	$ —
Unfunded status	**$ (1,141)**	$ (475)	**$ 790**	$ 1,062
Amounts recognized in the consolidated balance sheets consist of:				
Current liabilities	**—**	—	**(25)**	(36)
Non-current liabilities	**(1,142)**	(475)	**(765)**	(1,026)
Net amount recognized	**$ (1,142)**	$ (475)	**$ (790)**	$ (1,062)

The accumulated benefit obligation for the pension plans was $7,167 and $6,277 as of December 31, 2025 and 2024, respectively.

6. Pension and other post-employment benefits (continued)

(b) Pension and OPEB actuarial changes

The amounts recognized in AOCI were as follows:

Change in AOCI (before tax)	**Pension**		**OPEB**	
	Actuarial losses (gains)	**Past service gains**	**Actuarial losses (gains)**	**Past service gains**
Balance, January 1, 2024	$ 695	$ (61)	$ (871)	$ 23
Additions to AOCI	(301)	—	(69)	—
Amortization in current period	(26)	17	71	(3)
Balance, December 31, 2024	$ 368	$ (44)	$ (869)	$ 20
Additions to AOCI	**(497)**	**—**	**(406)**	
Amortization in current period	**—**	**17**	**71**	**57**
Balance, December 31, 2025	**$ (129)**	**$ (27)**	**$ (1,204)**	**$ 77**

(c) Assumptions

Assumptions used to determine net benefit cost for 2025 and 2024 were as follows:

	Pension benefits		**OPEB**	
	2025	**2024**	**2025**	**2024**
Discount rate	**5.82 %**	5.27 %	**5.87 %**	5.25 %
Expected return on assets	**5.50 %**	5.50 %	**N/A**	N/A
Rate of compensation increase	**6.00 %**	6.00 %	**N/A**	N/A
Health care cost trend rate				
Before age 65			**7.00 %**	7.00 %
Age 65 and after			**6.00 %**	6.00 %
Assumed Ultimate Medical Inflation Rate			**4.50 %**	4.50 %
Year in which Ultimate Rate is reached			**2036**	2034

6. Pension and other post-employment benefits (continued)

(c) Assumptions (continued)

Assumptions used to determine benefit obligation for 2025 and 2024 were as follows:

	Pension benefits		OPEB	
	2025	**2024**	**2025**	**2024**
Discount rate	**5.66%**	5.82%	**5.75%**	5.87%
Rate of compensation increase	**6.00%**	6.00%	**N/A**	N/A
Health care cost trend rate				
Before age 65			**7.000%**	6.750%
Age 65 and after			**6.000%**	11.000%
Assumed Ultimate Medical Inflation Rate			**4.50%**	4.50%
Year in which Ultimate Rate is reached			**2036**	2034

The mortality improvement projection Scale MP-2021 was adjusted to reflect the ultimate improvement rates from the Intermediate Alternative scenario provided in the Social Security Administration's ("SSA") Long Range Demographic Assumptions for the 2021 Trustees Report. This adjustment was made using the Society of Actuary's Mortality Improvement Model (MIM-2021-v2). The purpose of this model is to construct sets of mortality improvement rates reflecting specific adjustments. The model requires the inputs that we have taken from the SSA's intermediate assumptions, such that the following ultimate rates reached in the year 2045: 0.85% improvement for ages 20-49, 0.96% improvement for ages 50-64, 0.71% improvement for ages 65-84, and 0.55% improvement for ages 85 and older.

A yield curve model is used to develop the single equivalent discount rate that reflects the characteristics of the Plan. Under this model, the Plan's expected benefit payments are matched to the spot rates along the yield curve to determine their present values. Then a single equivalent discount rate is solved for which it produces the same total present value as the spot rates. CBIZ relies on the yield curve spot rates developed by experts as of the measurement date (i.e. the Ryan ALM Above Median yield curve). We are not aware of any material inconsistencies, limitations or weaknesses in this model.

(d) Benefit costs

The following table lists the components of net benefit cost for the pension plans and OPEB recorded as part of operating expenses in the consolidated statements of comprehensive income.

	Pension benefits		OPEB	
	2025	**2024**	**2025**	**2024**
Service cost	**$ 816**	$ 918	**$ 29**	$ 30
Non-service costs				
Interest cost	**452**	408	**42**	47
Expected return on plan assets (gain)	**(375)**	(328)	**—**	—
Amortization of net actuarial (gain)	**(17)**	(17)	**(71)**	(70)
Amortization of prior service credits	**—**	26	**3**	3
	60	89	**(26)**	(20)
Net benefit cost	**$ 876**	$ 1,007	**$ 3**	$ 10

6. Pension and other post-employment benefits (continued)

(e) Plan assets

The Company's investment strategy for its pension and post-employment plan assets is to maintain a diversified portfolio of assets with the primary goal of meeting long-term cash requirements as they become due.

The Company's target asset allocation is 50% in equity securities and 50% in debt securities.

(f) Cash flows

The Company expects to contribute $1,174 to its pension plans and $25 to its post-employment benefit plans in 2026.

The expected benefit payments over the next 10 years are as follows:

	2026	2027	2028	2029	2030	2031-2035
Pension plan	$346	$340	$411	$440	$503	$3818
OPEB	25	26	30	27	29	216

7. Short term external debt

Due to related parties represents advances for current operating costs and reimbursement for management and accounting services provided by entities related to Liberty Utilities as well as other third-party costs incurred by entities related to Liberty Utilities on behalf of the Company.

8. Related party transactions

Due from related parties represents advances for current operating costs and reimbursement for management and accounting services provided by entities related to Liberty Utilities as well as other third-party costs incurred by entities related to Liberty Utilities on behalf of the Company. These amounts bear interest on variable rates and have no fixed repayment terms. Total amounts allocated for year ended December 31, 2025 were $8,020 (2024 - $6,375). Periodically, there are advances due to related parties. Such advances bear interest on variable rates and are due on demand. As at December 31, 2025, the amounts payable to related parties total $280,729 (2024 - $457,114). As of December 31, 2025, the Company has accrued $29,445 in interest expense (2024 - $29,551).

9. Advances in aid of construction

The Company has various agreements with real estate development companies (the "developers") conducting business within the Company's utility service territories, whereby funds are advanced to the Company by the developers to assist with funding some or all of the costs of the development.

In many instances, developer advances can be subject to refund but the refund is non-interest bearing. Refunds of developer advances are made over a period of 10 years. Advances not refunded within the prescribed period are usually not required to be repaid. After the prescribed period has lapsed, any remaining unpaid balance is transferred to contributions in aid of construction and recorded as an offsetting amount to the cost of property, plant and equipment. No amounts were transferred from advances in aid of construction to contributions in aid of construction in 2025 and 2024.

10. Member's capital

The Company is a single member limited liability corporation. As of December 31, 2025, all outstanding equity membership units of the Company are owned by Liberty Utilities.

11. Commitments and contingencies

(a) Contingencies

The Company is involved in various litigation arising out of the ordinary course and conduct of its business. Although such matters cannot be predicted with certainty, management does not consider the Company's exposure to such litigation to be material to these consolidated financial statements. Accruals for any contingencies related to these items, if any, are recorded in the consolidated financial statements at the time it is concluded that its occurrence is probable and the related liability is estimable.

Mountain View fire

On November 17, 2020, a wildfire now known as the Mountain View Fire occurred in the territory of Liberty CalPeco. The cause of the fire remains in dispute, and CAL FIRE has not yet released its final report. There were 22 lawsuits filed that name certain subsidiaries of the Company as defendants in connection with the Mountain View Fire, as well as a non-litigation claim brought by the U.S. Department of Agriculture seeking reimbursement for alleged fire suppression costs and a notice from the U.S. Bureau of Land Management seeking damages for the alleged burning of public lands without authorization. Fifteen lawsuits were brought by groups of individual plaintiffs and a Native American group alleging causes of action including negligence, inverse condemnation, nuisance, trespass, and violations of Cal. Pub. Util. Code 2106 and Cal. Health and Safety Code 13007 (one of these 15 lawsuits also alleges the wrongful death of an individual and various subrogation claims on behalf of insurance companies). In six other lawsuits, insurance companies alleged inverse condemnation and negligence and seek recovery of amounts paid and to be paid to their insureds. In one other lawsuit, County of Mono, Antelope Valley Fire Protection District, and Bridgeport Indian Colony allege similar causes of action and seek damages for fire suppression costs, law enforcement costs, property and infrastructure damage, and other costs. Liberty CalPeco has resolved 21 of the lawsuits, and Liberty CalPeco is in the process of obtaining dismissals with prejudice of said lawsuits. The trial date for the remaining lawsuit previously scheduled for April 15, 2025 was vacated. The likelihood of success in this lawsuit is uncertain. Liberty CalPeco intends to vigorously defend it. The Company accrued estimated losses of $178.4 million for claims related to the Mountain View Fire, against which Liberty CalPeco has recorded recoveries through insurance of $116.0 million and WEMA of $71.5 million. On June 20, 2025, the Company filed an application seeking recovery of $78.2 million, comprising of the costs recorded to date in the WEMA and $6.7 million of forecasted legal expenses. The resulting net charge to earnings was $nil. The estimate of losses is subject to change as additional information becomes available. The actual amount of losses may be higher or lower than these estimates. While the Company may incur a material loss in excess of the amount accrued, the Company cannot estimate the upper end of the range of reasonably possible losses that may be incurred. The Company has wildfire liability insurance that was applied up to applicable policy limits.

(b) Commitments

The Company has a purchase commitment to purchase physical quantities of power for load-serving requirements. The commitment amounts included in the table below are based on market prices as of December 31, 2025. However, the effects of purchased power unit cost adjustments are mitigated through a purchased power rate-adjustment mechanism.

		2026
Power purchases	$	23,063

12. Non-cash operating items

The changes in non-cash operating items consist of the following:

	2025	2024
Accounts receivable	**$ 12,823**	$ (13,629)
Prepaid expenses and other	**1,376**	(3,950)
Supplies and consumables inventory	**1,681**	(1,082)
Accounts payable and accrued liabilities	**9,463**	5,884
Due to related parties	**(22,418)**	64,653
Net regulatory assets and liabilities	**(14,950)**	(4,182)
	$ (22,322)	$ 47,694

13. Financial instruments

(a) Fair value of financial instruments

	December 31, 2025		December 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Long-term debt with related party	**$ 297,126**	**$ 297,126**	$ 24,799	$ 25,070

The Company has determined that the carrying value of its short-term financial assets and liabilities approximates fair value as of December 31, 2025 and 2024 due to the short-term maturity of these instruments.

Long-term debt (level 2 inputs) is at fixed interest rates. The estimated fair value is calculated using a discounted cash flow method and current interest rates.

Advances in aid of construction have a carrying value of $24,494 as of December 31, 2025 (2024 - $22,768). Portions of these non-interest bearing instruments are payable annually through 2027, including new customer connections, customer consumption levels, and future rate increase. However, amounts not paid by the contract expiration date become non-refundable. Their relative fair values cannot be accurately estimated because future refund payments depend on several variables. The fair value of these amounts would be less than their carrying value due to the non-interest bearing feature.

Fair value estimates are made at a specific point in time, using available information about the financial instrument. These estimates are subjective in nature and often cannot be determined with precision.

13. Financial instruments (continued)

(b) Risk management

In the normal course of business, the Company is exposed to financial risks that potentially impact its operating results. The Company employs risk management strategies with a view of mitigating these risks to the extent possible on a cost-effective basis.

This note provides disclosures relating to the nature and extent of the Company's exposure to risks arising from financial instruments, including credit risk and liquidity risk, and how the Company manages those risks.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's financial instruments that are exposed to concentrations of credit risk are primarily cash and cash equivalents and accounts receivable. The Company limits its exposure to credit risk with respect to cash equivalents by ensuring available cash is deposited with its senior lenders, all of which have a credit rating of A or better.

Credit risk related to the accounts receivable balance of $26,383 is spread over thousands of customers. The Company has processes in place to monitor and evaluate this risk on an ongoing basis including background credit checks and security deposits from new customers. In addition, the Regulator allows for a reasonable bad debt expense to be incorporated in the rates and therefore recovered from rate payers.

As of December 31, 2025, the Company's maximum exposure to credit risk for these financial instruments is as follows:

(c) *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, to the extent possible, that it will always have sufficient liquidity to meet liabilities when due. The Company's liabilities mature as follows:

	Due less than 1 year	Due 2–3 years	Due 4–5 years	Due after 5 years	Total
Long-term debt	$ —	$ —	$ —	$ 297,126	$ 297,126
Advances in aid of construction	—	—	—	24,494	24,494
Purchase obligations	316,375	—	—	—	316,375
Interest on long-term debt	691	—	—	—	691
Other obligations	4,551	—	—	—	4,551
Total obligations	**$ 321,617**	**$ —**	**$ —**	**$ 321,620**	**$ 643,237**

To assess the Company's ability to service these obligations, the table below presents the liquid assets available as of December 31, 2025.

	2025
Cash and cash equivalents	**$ 1,941**
Accounts receivable	**27,358**
Allowance for doubtful accounts	**(975)**
	$ 28,324

14. Subsequent events

On September 20, 2024, Liberty Utilities (CalPeco Electric) LLC (Liberty or Applicant) filed Application (A.) 24-09-010 with the California Public Utilities Commission, initiating this proceeding. The Application is a General Rate Case (GRC) in which Liberty requests authorization to increase its revenue requirement and customer electric rates beginning in 2025, as revenues are effective 01/01/2025. Notice of the filing of the Application was published by the Commission.

The GRC Decision was approved by the California Public Utilities Commission in Decision (D.) 26-03-017, adopting and modifying the Settlement Agreement as set forth in Administrative Law Judge Petersen's final decision issued on March 19, 2026. The decision authorizes an approximate annual base revenue requirement increase of $48.58 million for the 2025 test year.

Unaudited Interim Condensed Consolidated Financial Statements of

Liberty Utilities (CalPeco Electric) LLC

For the six months ended June 30, 2026 and 2025

Liberty Utilities (Calpeco Electric) LLC
Unaudited Interim Condensed Consolidated Statements of Comprehensive Income

(thousands of U.S. dollars)	Six months ended June 30, 2026	2025
Revenue		
Residential	**46,046**	40,484
Commercial	**43,104**	38,653
Other	**74,127**	5,148
	163,277	84,285
Expenses		
Energy purchased	**28,959**	23,930
Operating costs	**60,010**	27,268
Taxes other than income taxes	**4,228**	4,920
Depreciation of utility plant	**11,906**	11,227
	105,103	67,345
Operating income	**58,174**	16,940
Interest expense	**9,115**	8,622
Pension and post-employment non-service costs (note 4)	**4**	23
Loss on disposal	**21,891**	273
	31,010	8,918
Earnings before income taxes	**27,164**	8,022
Income tax expense		
Current		
Deferred (note 1)	**62,423**	
	62,423	—
Net Earnings	**(35,259)**	8,022
Other comprehensive income:		
Change in unrealized pension and other post-employment benefits (note 4)	**(30)**	(34)
Comprehensive income	**$ (35,289)**	7,988

Liberty Utilities (Calpeco Electric) LLC
Unaudited Interim Condensed Consolidated Balance Sheets

(thousands of U.S. dollars)		June 30, 2026		December 31, 2025
ASSETS				
Utility plant				
Utility plant in service	**$**	**822,537**	$	786,908
Less: accumulated depreciation		**(122,808)**		(114,150)
		699,729		672,758
Construction work-in-progress		**32,998**		38,296
Utility plant, net		**732,727**		711,054
Goodwill		**10,381**		10,381
Regulatory assets		**240,399**		240,035
Other assets		**2,322**		2,417
Current assets				
Cash and cash equivalents		**1,677**		1,941
Supplies and consumables inventory		**15,836**		12,832
Accounts receivable, net		**22,388**		26,383
Prepaid expenses and other		**1,546**		17,180
Due from related parties		**—**		—
Regulatory assets		**64,712**		30,769
Other current assets		**—**		—
		106,159		89,105
	$	**1,091,988**	$	1,052,992

Liberty Utilities (Calpeco Electric) LLC
Unaudited Interim Condensed Consolidated Balance Sheets

(thousands of U.S dollars)	June 30, 2026	December 31, 2025
LIABILITIES AND MEMBER'S EQUITY		
Member's equity		
Member's capital	**$ 132,444**	$ 132,444
Accumulated surplus	**205,145**	240,404
Accumulated other comprehensive loss	**894**	924
Total equity	**338,483**	373,772
Redeemable non-controlling interests	**—**	—
Long-term debt	**346,900**	297,126
Regulatory liabilities	**3,861**	35,011
Deferred income tax liabilities (note 1)	**73,022**	
Pension and other post-employment benefits obligation	**939**	765
Advances in aid of construction	**25,100**	24,494
Asset retirement obligation	**—**	909
Other long term liabilities	**815**	—
Current liabilities		
Accounts payable and accrued liabilities	**21,555**	35,646
Customer deposits	**191**	224
Regulatory liabilities	**32,975**	4,291
Other post-employment benefit obligation	**36**	25
Due to related parties	**248,111**	280,729
	302,868	320,915
Commitments and contingencies		
Subsequent events		
	$ 1,091,988	$ 1,052,992

Liberty Utilities (Calpeco Electric) LLC
Unaudited Interim Condensed Consolidated Statements of Cash Flow

(thousands of U.S. dollars)

	Six months ended June 30,	
	2026	**2025**
Cash provided by (used in):		
Operating Activities		
Net earnings	**$ (35,259)**	$ 8,021
Items not affecting cash:		
Depreciation of utility plant	**11,906**	11,227
Deferred taxes (note 1)	**62,423**	
Cost of equity funds used for construction purposes	**(469)**	(361)
Pension and post-employment contributions in excess of expense	**156**	448
Loss on disposal of assets	**(17,014)**	—
Changes in non-cash operating items	**(25,692)**	37,885
	(3,949)	57,220
Financing Activities		
Increase/(decrease) in LTD	**49,756**	(25,000)
Increase in other liabilities	**391**	970
	50,147	(24,030)
Investing Activities		
Additions to utility plant	**(46,461)**	(34,592)
	(46,461)	(34,592)
Decrease in cash and cash equivalents	**(263)**	(1,402)
Cash and cash equivalents, beginning of period	**1,940**	1,501
Cash and cash equivalents, end of period	**$ 1,677**	$ 99

Supplemental disclosure of cash flow information:	**2026**	**2025**
Cash paid during the period for interest expense	**$ 14,735**	$ 13,862
Non-cash transactions: Utility plant in accruals	**$ 11,959**	$ 2,547

Notes to Unaudited Interim Condensed Consolidated Financial Statements

1. Income Taxes and Change in Tax Status

Prior to January 1, 2026, the Company was treated as a disregarded entity for U.S. federal income tax purposes, and its taxable income and related tax attributes were included in the tax reporting of its owner. Accordingly, no provision for income taxes or deferred income tax assets or liabilities was recognized in the Company's standalone financial statements. Effective January 1, 2026, the Company elected to be treated as a corporation for U.S. federal income tax purposes and became subject to U.S. federal income taxes as a separate taxable entity. Upon filing the election on March 11, 2026, the Company recognized the effects of the change in tax status, including the establishment of deferred income tax liabilities for temporary differences expected to reverse after the effective date of the election. The related impact has been reflected in the Company's standalone financial statements.

Exhibit B

Liberty's Articles of Organization and Certificate of Status

LLC-1 File # 200910410277

State of California
Secretary of State

LIMITED LIABILITY COMPANY ARTICLES OF ORGANIZATION

A $70.00 filing fee must accompany this form.

IMPORTANT – Read instructions before completing this form.

FILED
In the Office of the Secretary of State
of the State of California

APR 14 2009

This Space For Filing Use Only

ENTITY NAME (End the name with the words "Limited Liability Company," or the abbreviations "LLC" or "L.L.C." The words "Limited" and "Company" may be abbreviated to "Ltd." and "Co.," respectively.)

1. NAME OF LIMITED LIABILITY COMPANY
California Pacific Electric Company, LLC

PURPOSE (The following statement is required by statute and should not be altered.)

2. THE PURPOSE OF THE LIMITED LIABILITY COMPANY IS TO ENGAGE IN ANY LAWFUL ACT OR ACTIVITY FOR WHICH A LIMITED LIABILITY COMPANY MAY BE ORGANIZED UNDER THE BEVERLY-KILLEA LIMITED LIABILITY COMPANY ACT.

INITIAL AGENT FOR SERVICE OF PROCESS (If the agent is an individual, the agent must reside in California and both Items 3 and 4 must be completed. If the agent is a corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and Item 3 must be completed (leave Item 4 blank).

3. NAME OF INITIAL AGENT FOR SERVICE OF PROCESS
C T Corporation System

4. IF AN INDIVIDUAL, ADDRESS OF INITIAL AGENT FOR SERVICE OF PROCESS IN CALIFORNIA | CITY | STATE | ZIP CODE
| | | CA | |

MANAGEMENT (Check only one)

5. THE LIMITED LIABILITY COMPANY WILL BE MANAGED BY:

- [ ] ONE MANAGER
- [ ] MORE THAN ONE MANAGER
- [x] ALL LIMITED LIABILITY COMPANY MEMBER(S)

ADDITIONAL INFORMATION

6. ADDITIONAL INFORMATION SET FORTH ON THE ATTACHED PAGES, IF ANY, IS INCORPORATED HEREIN BY THIS REFERENCE AND MADE A PART OF THIS CERTIFICATE.

EXECUTION

7. I DECLARE I AM THE PERSON WHO EXECUTED THIS INSTRUMENT, WHICH EXECUTION IS MY ACT AND DEED.

April 13, 2009
DATE

SIGNATURE OF ORGANIZER

Ian Robertson
TYPE OR PRINT NAME OF ORGANIZER

LLC-2	**Amendment to Articles of Organization of a Limited Liability Company (LLC)**

To change information of record for your California LLC, you can fill out this form, and submit for filing along with:

- A **$30** filing fee.
- A separate, non-refundable **$15** service fee also must be included, if you **drop off** the completed form.
- To file this form, the status of your LLC must be active on the records of the California Secretary of State, or if suspended, this form can only be filed to list a new LLC name. To check the status of the LLC, go to BusinessSearch.sos.ca.gov.

Important! To change the LLC addresses, or to change the name or address of the LLC's agent for service of process, you must file a Statement of Information (Form LLC-12). To get Form LLC-12, go to www.sos.ca.gov/business/be/statements.htm.

Items 4-6: **Only** fill out the information that is changing. Attach extra pages if you need more space or need to include any other matters.

FILED
Secretary of State
State of California
JUL 14 2017

This Space For Office Use Only

For questions about this form, go to *www.sos.ca.gov/business/be/filing-tips.htm.*

① **LLC's Exact Name** (on file with CA Secretary of State)
Liberty Utilities (CalPeco Electric) LLC

② **LLC File No.** (Issued by CA Secretary of State)
200910410277

Purpose

③ The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the California Revised Uniform Limited Liability Company Act.

New LLC Name (List the proposed LLC name exactly as it is to appear on the records of the California Secretary of State.)

④ _____

Proposed LLC Name

The proposed new name **must** include: LLC, L.L.C., Limited Liability Company, Limited Liability Co., Ltd. Liability Co. or Ltd. Liability Company; and **may not** include: bank, trust, trustee, incorporated, Inc., corporation, or corp., insurer, or insurance company.

Management (Check only one.)

⑤ The LLC will be managed by:

☐ One Manager ☑ More Than One Manager ☐ All Limited Liability Company Member(s)

Amendment to Text of the Articles of Organization (List both the current text, and the text as amended by this filing.)

⑥

Read and sign below: Unless a greater number is provided for in the Articles of Organization, this form must be signed by at least one manager, if the LLC is manager-managed or at least one member, if the LLC is member-managed. If the signing manager or member is a trust or another entity, go to www.sos.ca.gov/business/be/filing-tips.htm for more information. If you need more space, attach extra pages that are 1-sided and on standard letter-sized paper (8 1/2" x 11"). All attachments are part of this document.

▶ _____ David Pasieka CLASS 1 Member

Sign here *Print your name here* *Your business title*

Make check/money order payable to: **Secretary of State**
Upon filing, we will return one (1) uncertified copy of your filed document for free, and will certify the copy upon request and payment of a $5 certification fee.

By Mail
Secretary of State
Business Entities, P.O. Box 944228
Sacramento, CA 94244-2280

Drop-Off
Secretary of State
1500 11th Street., 3rd Floor
Sacramento, CA 95814

Secretary of State
Certificate of Status

I, SHIRLEY N. WEBER, PH.D., California Secretary of State, hereby certify:

Entity Name:	LIBERTY UTILITIES (CALPECO ELECTRIC) LLC
Entity No.:	200910410277
Registration Date:	04/14/2009
Entity Type:	Limited Liability Company - CA
Formed In:	CALIFORNIA
Status:	Active

The above referenced entity is active on the Secretary of State's records and is authorized to exercise all its powers, rights and privileges in California.

This certificate relates to the status of the entity on the Secretary of State's records as of the date of this certificate and does not reflect documents that are pending review or other events that may impact status.

No information is available from this office regarding the financial condition, status of licenses, if any, business activities or practices of the entity.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of July 23, 2026.

SHIRLEY N. WEBER, PH.D.
Secretary of State

Certificate No.: 483651630

To verify the issuance of this Certificate, use the Certificate No. above with the Secretary of State Certification Verification Search available at **biz**fileOnline.sos.ca.gov.

Exhibit C

Pro-Forma Financial Statement (2026-2028)

Liberty Utilities (Calpeco Electric) LLC

Income Statement			
$M USD	**FY 2026**	**FY 2027**	**FY 2028**
Total revenue	**277.0**	**233.1**	**246.0**
Energy purchased	(57.9)	(53.9)	(53.9)
Operating costs (Incl Taxes other than income taxes)	(112.7)	(89.9)	(90.4)
Depreciation and amortization of utility plant	(24.3)	(26.1)	(27.8)
Total expenses	**(194.9)**	**(169.8)**	**(172.1)**
Operating income	**82.1**	**63.3**	**73.9**
Interest Expense	(30.7)	(32.2)	(29.3)
Other Income	11.7	10.0	8.7
Other Gains & Losses	(38.9)	(0.1)	(0.1)
Total other expenses	**(57.9)**	**(22.4)**	**(20.7)**
Net comprehensive earnings	**24.2**	**41.0**	**53.2**
Income tax expense	(65.8)	(11.5)	(14.9)
Net comprehensive earnings (after tax)	**(41.7)**	**29.5**	**38.3**

Balance Sheet			
$M USD	**FY 2026**	**FY 2027**	**FY 2028**
ASSETS			
Cash and cash equivalents	2.1	2.1	2.1
Supplies and consumables inventory	15.7	15.7	15.7
Accounts receivable, net	34.8	37.0	39.2
Prepaid expenses and other	20.5	20.4	20.3
Regulatory assets (current)	63.6	63.6	50.9
Other current assets	-	-	-
Current assets	**136.8**	**138.8**	**128.2**
Utility plant, net	747.9	778.6	818.7
Goodwill	10.4	10.4	10.4
Regulatory assets (non-current)	239.9	227.8	199.0
Other assets	2.3	2.3	2.3
Long term assets	**1,000.5**	**1,019.1**	**1,030.4**
Assets	**1,137.3**	**1,157.9**	**1,158.5**
LIABILITIES & EQUITY			
Accounts payable and Other Accrued liabilities	48.3	48.9	49.6
Regulatory liabilities (current)	32.9	29.0	24.2
Due to related parties	277.5	228.3	142.9

Current liabilities	**358.6**	**306.3**	**216.7**
Redeemable non-controlling interests	-	-	-
Long-term debt	347.0	350.8	385.4
Deferred income tax liabilities	74.6	86.1	100.9
Pension and OPEB obligation	1.4	1.4	1.4
Other long term liabilities	23.5	25.8	28.1
Long term liabilities	**446.5**	**464.1**	**515.9**
Liabilities	**805.2**	**770.3**	**732.7**
Equity			
Member's capital	132.4	132.4	132.4
Accumulated surplus	0.9	0.8	0.8
Accumulated other comprehensive income	198.8	254.3	292.7
Equity	**332.1**	**387.6**	**425.9**
Total liabilities & shareholders' equity	**1,137.3**	**1,157.9**	**1,158.5**

Cash Flow Statement			
$M USD	**FY 2026**	**FY 2027**	**FY 2028**
Net Income	(41.7)	29.5	38.3
Depreciation and Amortization	24.3	26.1	27.8
Working Capital	(2.3)	(1.4)	(1.4)
Deferred Tax (Non-Cash)	74.6	11.5	14.9
Change In Regulatory Accounts	(41.8)	10.5	39.1
Cash Flow from Operations	**13.2**	**76.1**	**118.7**
Capital expenditures	(61.2)	(56.8)	(67.9)
Other investing activities	0.8	-	-
Cash Flow from Investing Activity	**(60.4)**	**(56.8)**	**(67.9)**
Issuances of ST Debt (Repayment)	(3.2)	(49.1)	(85.4)
Issuances of LT Debt (Repayment)	50.3	3.7	34.7
Equity Issuances (Dividends)	(0.0)	26.1	-
Other financial activities	0.2	(0.0)	(0.1)
Cash Flow from Financing Activity	**47.3**	**(19.4)**	**(50.8)**
Total Cash Flow	**-**	**-**	**-**

Key Metrics			
$M USD	**FY 2026**	**FY 2027**	**FY 2028**
Total Debt (Long Term)	347.0	350.8	385.4
Total Equity	332.1	387.6	425.9
Total Capitalization	**679.1**	**738.4**	**811.3**

Total Debt/Total Capitalization	**51.1%**	**47.5%**	**47.5%**
Short Term Debt	**277.5**	**228.3**	**142.9**
% of Total Capitalization	41%	31%	18%

Exhibit D

Liberty & LUCo Revolving Credit Agreements and Amendments

SECOND AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

dated as of

JANUARY 1, 2025

among

LIBERTY UTILITIES CO.

as Lender

and

LIBERTY UTILITIES (CALPECO ELECTRIC) LLC

as the Borrower

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SECOND AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

This **SECOND AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT** (this "***Agreement***") is entered into as of January 1, 2025 (the "***Restatement Effective Date***"), by and between **LIBERTY UTILITIES CO**., a Delaware corporation ("***Lender***"), as Lender, and **LIBERTY UTILITIES (CALPECO ELECTRIC) LLC**, a California limited liability corporation (the "***Borrower***"), as the Borrower.

RECITALS

WHEREAS, the Borrower and Lender have previously entered into that certain Revolving Credit Agreement dated as of January 1, 2024, as amended by the Amended and Restated Revolving Credit Agreement dated as of August 15, 2024 (as amended, restated, amended and restated, supplemented and/or otherwise modified prior to the date hereof, the "***Existing Credit Agreement***");

WHEREAS, the Borrower has requested that the Existing Credit Agreement be amended and restated on the terms and conditions set forth herein on the Restatement Effective Date; and

WHEREAS, Lender is willing to amend the Existing Credit Agreement on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and agreements, provisions and covenants herein contained, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"***Administrative Agent***" means, JPMorgan Chase Bank, N.A., the Administrative Agent under the JPM Credit Agreement and any successor or replacement administrative agent under such JPM Credit Agreement.

"***Agreement***" has the meaning assigned to such term in the Recitals hereof.

"***Applicable Margin***" shall means 50 bps.

"***Availability Period***" means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitment.

"***Bankruptcy Event***" means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Lender, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not

result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"***Board***" means the Board of Governors of the Federal Reserve System of the United States of America.

"***Borrower***" has the meaning assigned to such term in the Recitals hereof.

"***Borrowing***" means Revolving Loans.

"***Borrowing Request***" means a request by the Borrower for a Revolving Borrowing in accordance with Section 2.02.

"***Business Day***" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed.

"***CAM***" means the Cost Allocation Manual of Algonquin Power & Utilities Corp. as it may be in effect from time to time.

"***CAM Percentage***" has the meaning assigned to such term in Section 8.03(b).

"***Capital Lease***" means at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

"***Commercial Paper Rate***" means the daily rate equal to the weighted average daily rate paid by Lender on its outstanding commercial paper issuances for each corresponding day; in the absence of commercial paper issuances outstanding, the daily rate shall be equal to the lowest overnight commercial paper rate quoted by Lender's commercial paper dealers for each corresponding day.

"***Commitment***" means, the commitment of Lender to make Revolving Loans and to arrange Letters of Credit hereunder, as such commitment may be reduced or increased from time to time pursuant to Section 2.06. As of the Restatement Effective Date, the Commitment is $700,000,000.

"***Consolidated Indebtedness***" means, as of any date of determination, the total of (a) all indebtedness of the Borrower and its Subsidiaries outstanding on such date, after eliminating all offsetting debits and credits between the Borrower and its Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of the Borrower and its Subsidiaries in accordance with GAAP, *plus* (b) all indebtedness owing by the Borrower to the Lender under this Agreement which would be shown as "Due to Related Parties" on a consolidated balance sheet of the Borrower and its Subsidiaries as of such time prepared in accordance with GAAP.

"***Consolidated Net Worth***" means, at any time,

(a) Consolidated Total Assets, *minus*

(b) Consolidated Total Liabilities.

"***Consolidated Total Assets***" means at any time, the total assets of the Borrower and its Subsidiaries which would be shown as assets on a consolidated balance sheet of the Borrower and its Subsidiaries as of such time prepared in accordance with GAAP, after eliminating all amounts properly attributable to minority interests, if any, in the stock and surplus of Subsidiaries.

"***Consolidated Total Capitalization***" means at any time, the sum of Consolidated Net Worth and Consolidated Indebtedness.

"***Consolidated Total Liabilities***" means at any time, the total liabilities of the Borrower and its Subsidiaries which would be shown as liabilities on a consolidated balance sheet of the Borrower and its Subsidiaries as of such time prepared in accordance with GAAP.

"***Credit Event***" has the meaning assigned to such term in Section 4.02.

"***Default***" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"***dollars***" or "***$***" refers to lawful money of the United States of America.

"***EBITDA***" means, for any period of determination, the consolidated net income of the Borrower and its Subsidiaries before provision for income taxes, plus, to the extent subtracted in determining consolidated net income, Interest Expense, depreciation, amortization, write-downs of goodwill and other intangible assets, and extraordinary or non-recurring items, all as determined in accordance with GAAP. For greater certainty, EBITDA excludes unrealized gains and losses on Swap Contracts and fair value adjustments to indebtedness.

"***Effective Date***" means the date on which the conditions specified in Section 4.01 are satisfied.

"***Eligible Subsidiaries***" means each of the direct and indirect subsidiaries of Liberty Utilities Co. and Liberty Utilities (Sub) Corp. that are eligible (directly or indirectly) to receive borrowings under the JPM Credit Agreement, including the Borrower.

"***Event of Default***" has the meaning assigned to such term in Article V.

"***Existing Credit Agreement***" has the meaning assigned to such term in the Recitals hereof.

"***Fixed Charges***" means with respect to any period, the sum of (a) Interest Expense for such period, (b) any scheduled principal payments for such period in respect of any indebtedness of the Borrower and its Subsidiaries and (c) Rental Expense for such period.

"***GAAP***" means generally accepted accounting principles as in effect from time to time in the United States of America.

"***Governmental Authority***" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"***Interest Expense***" means for any period of determination, the aggregate consolidated amount, without duplication, of interest paid, accrued or scheduled to be paid in respect of any indebtedness of the Borrower and its Subsidiaries, including in all cases interest expense determined in accordance with GAAP and (a) all but the principal component of payments in respect of conditional sale contracts, Capital Leases and other title retention agreements, (b) commissions, discounts and other fees and charges with respect to letters of credit and bankers' acceptance financings and (c) net costs under any interest rate swap, collar or other interest rate hedging agreements, in each case determined in accordance with GAAP.

"***Interest Payment Date***" means any date on which interest is required to be paid by Lender on revolving loans or swingline loans, as applicable, under the JPM Credit Agreement.

"***Issuing Bank***" means the issuer of Letters of Credit under the JPM Credit Agreement.

"***JPM Credit Agreement***" means that certain Credit Agreement by and between Lender, JPMorgan Chase Bank, N.A., as Administrative Agent and the other parties thereto, dated April 29, 2022, as such may be amended, modified, restated, refinanced or replaced from time to time.

"***JPM Loan Documents***" means the Loan Documents as defined in the JPM Credit Agreement.

"***JPM Rate***" means a rate per annum equal to the interest rate paid by Lender for revolving loans or swingline loans, as applicable, under the JPM Credit Agreement, as such rate may be adjusted from time to time.

"***LC Disbursement***" means a payment made by the Issuing Bank pursuant to a Letter of Credit.

"***LC Exposure***" means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time.

"***Lender***" has the meaning assigned to such term in the Recitals hereof.

"***Letter of Credit***" means any letter of credit issued for the support of obligations of the Borrower pursuant to this Agreement and the JPM Credit Agreement.

"***Lien***" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of

a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"***Loans***" means the loans made by the Lender to the Borrower pursuant to this Agreement.

"***Margin Stock***" means "margin stock" as defined in Regulation U of the Board as from time to time in effect.

"***Material Adverse Effect***" means a material adverse effect on (a) the business, assets, operations or financial condition of the Borrower and its Subsidiaries taken as a whole, (b) the ability of the Borrower to perform any of its obligations under this Agreement or (c) the rights of or benefits available to the Lender under this Agreement.

"***Maturity Date***" means December 31, 2025.

"***Note***" means the promissory note (or notes) evidencing the Loans delivered by the Borrower to Lender pursuant to Section 2.09 (e), including the Schedule of Advances and Payments of Principal affixed to such Note.

"***Person***" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"***Rental Expense***" means, with respect to any period, the sum of the rental and other obligations required to be paid during such period by the Borrower or any of its Subsidiaries as lessee under all leases of real or personal property (other than Capital Leases), excluding any amount required to be paid by the lessee (whether or not therein designated as rental or additional rental) on account of maintenance and repairs, insurance, taxes, assessment, water rates and similar charges, provided that, if at the date of determination, any such rental or other obligations (or portion thereof) are contingent or not otherwise definitely determinable by the terms of the related lease, the amount of such obligations (or such portion thereof) (a) shall be assumed to be equal to the amount of such obligations for the period of 12 consecutive calendar months immediately preceding the date of determination or (b) if the related lease was not in effect during the preceding 12-month period, shall be the amount estimated by a senior financial officer of the Borrower on a reasonable basis and in good faith.

"***Revolving Credit Exposure***" means, at any time, the sum of the outstanding principal amount of the Revolving Loans and the LC Exposure at such time.

"***Restatement Effective Date***" has the meaning assigned to such term in the Recitals hereof.

"***Revolving Loan***" means a Loan made pursuant to Section 2.01.

"***Subsidiary***" means as to any Person, any other Person in which such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such

second Person, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries (unless such partnership or joint venture can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries).

"***Swap Contract***" means (a) any and all interest rate swap transactions, basis swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward foreign exchange transactions, cap transactions, floor transactions, currency options, spot contracts or any other similar transactions to any of the foregoing (including, but without limitation, any options to enter into any of the foregoing), and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc. or any International Foreign Exchange Master Agreement.

"***Taxes***" means any and all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"***Transactions***" means the execution, delivery and performance by the Borrower of this Agreement, the borrowing of Loans, the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

"***Wildfire Claim***" means certain insurance claims resulting from those certain filed lawsuits against each of the Borrower and the Lender in connection with the Mountain View Fire (as disclosed on Schedule 3.06 of the JPM Credit Agreement).

"***Wildfire Expense Memorandum Account***" or "**WEMA**" means the system that tracks incremental, unreimbursed wildfire liability-related costs pursuant to California Public Utilities Code Section 701 and Rule 2.1 of the California Public Utilities Commission's Rules of Practice and Procedure. WEMA tracks amounts paid by the Borrower that are related to or the result of a wildfire that were not previously authorized in its general rate case, including payments to satisfy wildfire claims, including any deductibles, coinsurance, and other insurance expense; outside legal expenses incurred in the defense of wildfire claims; payments made for wildfire insurance and related risk-transfer mechanisms; and the cost of financing these amounts.

Section 1.02. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any

Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles and Sections shall be construed to refer to Articles and Sections of this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

ARTICLE II
THE CREDITS

Section 2.01. Commitment to Make Revolving Loans. Subject to the terms and conditions set forth herein, Lender agrees to make Revolving Loans to the Borrower from time to time during the Availability Period in an aggregate principal amount that will not result in the Revolving Credit Exposure exceeding the Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and re-borrow Revolving Loans.

Section 2.02. Requests for Revolving Borrowings. To request a Revolving Borrowing, the Borrower shall notify Lender of such request specifying the following information:

(a) the aggregate amount of the requested Borrowing;

(b) the date of such Borrowing, which shall be a Business Day; and

(c) the location and number of the Borrower's account to which funds are to be disbursed.

Section 2.03. Unused Commitment Fee. In addition to any payments provided for in this Agreement, the Borrower will pay Lender, an unused commitment fee on (a) the actual daily amount by which the Commitment exceeds the Revolving Credit Exposure times 50 basis points (0.50%) *per annum*. Such fee shall accrue at all times during the Availability Period and shall be due and payable quarterly in arrears on the first Business Day of each calendar quarter for the preceding calendar quarter, commencing with the first such date to occur after the Restatement Effective Date, and on the Maturity Date for the period from the end of the preceding calendar quarter until the Maturity Date. The commitment fee shall be calculated quarterly in arrears. The Borrower and Lender acknowledge and agree that the unused commitment fees payable hereunder are bona fide unused commitment fees and are intended as reasonable compensation to Lender for committing to make funds available to the Borrower as described herein and for no other purposes.

Section 2.04. Letters of Credit.

(a) Subject to the terms and conditions set forth herein and in the JPM Credit Agreement, the Borrower may, from time to time during the Availability Period, request that Lender arrange the issuance, amendment, renewal or extension of Letters of Credit for the support of obligations of the Borrower. Lender shall request the issuance, amendment, renewal or extension of such Letter of Credit under the JPM Credit Agreement only if, after giving effect to such issuance, amendment, renewal or extension (i) the Revolving Credit Exposure shall not

exceed the Commitment and (ii) the LC Exposure shall not exceed any limit on such LC Exposure established by Lender and communicated to the Borrower from time to time.

(b) To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall deliver to Lender a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with the requirements of the JPM Credit Agreement), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. To the extent Lender has any obligation to reimburse Administrative Agent or Issuing Bank for any LC Disbursement, or to pay any interest with respect to any such LC Disbursement, the Borrower shall promptly reimburse Lender for such amount.

(c) The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (b) of this Section 2.04 shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement and the JPM Credit Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit, this Agreement, or the JPM Credit Agreement or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section 2.04, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder.

Section 2.05. Funding of Borrowings. The Lender will make Loans available to the Borrower by depositing the amounts of the Loans in an account of the Borrower designated by the Borrower in the applicable Borrowing Request.

Section 2.06. Termination and Reduction of Commitment/Increases of Commitment.

(a) Unless previously terminated, the Commitment shall terminate on the Maturity Date.

(b) The Borrower may at any time terminate, or from time to time reduce, the Commitment upon written notice to Lender. The Commitment may be increased from time to time on prior written agreement of Lender and the Borrower.

Section 2.07. Repayment of Loans; Evidence of Debt.

(a) The Borrower hereby unconditionally promises to pay Lender the then unpaid principal amount of each Revolving Loan on the Maturity Date.

(b) Upon (and as a condition precedent to) the first occurrence of a Loan made hereunder, and, if requested by Lender, for any additional Loans made hereunder, the Borrower

shall execute and deliver to Lender a Note in such form as may be reasonably requested by Lender. The Schedule of Borrowings and Payments of Principal in the Note shall reflect the amount of the initial Borrowing with respect to such Note when so delivered. For avoidance of doubt, Lender may request a single Note to evidence all Loans hereunder, or multiple Notes, at its option.

(c) Lender may, and is hereby unconditionally, irrevocably and absolutely authorized and directed by the Borrower to enter on the Schedule of Borrowings and Payments of Principal attached to the Note(s), and any addition thereto, all Borrowings made under such Note, all payments made on account of the amounts remaining unpaid and the dates thereof with respect to any or all Loans made hereunder.

(d) The aggregate unpaid principal balance of the Borrowings shown on the Schedule of Borrowings and Payments of Principal attached to a Note, and any addition thereto, shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided, that failure of Lender to record the date and amount of any Borrowing, or any error by Lender in recording Borrowings or payments on such schedule, shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) For avoidance of doubt, the Borrower shall be liable hereunder only for the obligations incurred on its own behalf, and not for any debts incurred by Lender under the JPM Credit Agreement for the benefit of any subsidiary of Lender other than the Borrower.

Section 2.08. Prepayment of Loans.

(a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part.

(b) If the sum of the total Revolving Credit Exposure exceeds the Commitment at any time, the Borrower shall promptly prepay the Loans by the amount of such excess.

(c) The Borrower shall prepay all Borrowings upon demand from Lender if Lender is required to repay or prepay any amounts borrowed by Lender pursuant to the terms of the JPM Loan Documents.

(d) The Borrow shall pay to the Lender, as a mandatory prepayment, subject to the receipt by the Borrower of insurance proceeds in respect of any settlement amount in respect of the Wildfire Claims funded by a Borrowing hereunder, an amount equal to the lesser of (x) the amount of such insurance proceeds received and (y) the amount of the applicable settlement Borrowing. Such mandatory prepayment shall be due and payable within three (3) Business Days of receipt by the Borrower of such insurance proceeds. The Borrower shall use commercially reasonably efforts to pursue prompt recovery and receipt of any and all such insurance proceeds.

Section 2.09. Interest.

(a) The Loans shall bear interest at the Commercial Paper Rate *plus* Applicable Margin. However, should commercial paper funding be unavailable for any reason, or if commercial paper is no longer a funding source for Lender, the Loans shall bear interest at the JPM Rate *plus* Applicable Margin. The portion of any Loan provided to Borrower that is greater

than Lender's commercial paper program capacity shall bear interest at the JPM Rate *plus* Applicable Margin. As of the Restatement Effective Date, the Lender's commercial paper program capacity is $500,000,000.

(b) Notwithstanding the foregoing, if any principal of or interest on any Loan or any other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraph (a) of this Section 2.09.

(c) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and upon termination of the Commitment; provided that (i) interest accrued pursuant to paragraph (b) of this Section 2.09 shall be payable on demand, and (ii) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the amount repaid or prepaid.

(d) Lender shall maintain records of all contributions, advances, interest charges and interest and principal payments for purposes hereof, and shall prepare periodic reports thereof for the Parties. All determinations, allocations and administrative decisions made by Lender in its administrative capacity hereunder shall be conclusive and binding upon each of the Parties, absent manifest error.

Section 2.10. Payments Generally. The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, reimbursement of LC Disbursements, or other amounts) prior to 12:00 noon, New York City time, on the date when due, in immediately available funds, without set-off or counterclaim. All payments hereunder shall be made in U.S. dollars.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lender that:

Section 3.01. Organization; Powers. The Borrower is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

Section 3.02. Authorization; Enforceability. The Transactions are within the Borrower's corporate powers and have been duly authorized by all necessary corporate and, if required, stockholder action. This Agreement has been duly executed and delivered by the Borrower and constitutes a legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

Section 3.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, (b) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of the Borrower or any of its Subsidiaries or any order of any Governmental Authority, (c) will not violate or result in a default under any other indenture, agreement or other instrument binding upon the Borrower or any of its Subsidiaries or its assets, or give rise to a right thereunder to require any payment to be made by the Borrower or any of its Subsidiaries, where such violation or result, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, and (d) will not result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries.

Section 3.04. Use of Advances. The Borrower will use the proceeds of the Loans and Letters of Credit for refinancing existing indebtedness, working capital, acquisitions and general corporate purposes. Neither the Borrower nor any of its Subsidiaries extends or maintains, in the ordinary course of business, credit for the purpose, whether immediate, incidental, or ultimate, of buying or carrying Margin Stock, and no part of the proceeds of any Loan or Letter of Credit will be used in any manner that is in violation of any applicable law or regulation (including without limitation Regulations U or X of the Board).

ARTICLE IV
CONDITIONS

Section 4.01. Effective Date. The obligations of the Lender to make Loans hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived by Lender):

(a) The Lender shall have received from the Borrower a counterpart of this Agreement signed on behalf of the Borrower.

(b) The Lender shall have received such documents and certificates as the Lender or its counsel may reasonably request relating to the organization, existence and good standing of the Borrower, the authorization of the Transactions and any other legal matters relating to the Borrower, this Agreement or the Transactions, all in form and substance reasonably satisfactory to the Lender and its counsel.

Section 4.02. Each Credit Event. The obligation of Lender to make a Loan or to request the issuance, amendment, renewal or extension of any Letter of Credit (each, a "Credit Event"), is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrower set forth in this Agreement shall be true and correct in all material respects (except that any representation or warranty which is already qualified as to materiality or by reference to Material Adverse Effect shall be true and correct in all respects) on and as of the date of such Credit Event.

(b) At the time of and immediately after giving effect to any such Credit Event, no Default shall have occurred and be continuing.

(c) Only in the case of Borrowings, unless waived by Lender, Lender shall have received an advance under the JPM Credit Agreement in the amount of such requested Borrowing.

Each Credit Event shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section 4.02.

ARTICLE V
AFFIRMATIVE COVENANTS

Section 5.01. Borrower Affirmative Covenants in JPM Credit Agreement. The Borrower shall comply with any affirmative covenants applicable to it pursuant to the JPM Credit Agreement, including but not limited to the following Sections of the JPM Credit Agreement: Section 5.03 (Existence; Conduct of Business), Section 5.04 (Payment of Obligations), Section 5.05 (Maintenance of Properties; Insurance), Section 5.06 (Books and Records; Inspection Rights), Section 5.07 (Compliance with Laws), and Section 5.08 (Use of Proceeds and Letters of Credit).

Section 5.02. Regulatory Recovery.

(a) The Borrower shall pursue regulatory recovery and reimbursement for any settlement amount in respect of any Wildfire Claim not covered by insurance, including recovery through the Wildfire Expense Memorandum Account, and any other potential regulatory recovery mechanisms.

(b) The Borrower shall seek regulatory approval to obtain long-term debt secured by substantially all of the assets of the Borrower to replace and/or repay all amounts outstanding hereunder, including any settlement amounts in respect of any Wildfire Claim.

Section 5.03. Mitigation of Wildfires. The Borrower shall continue to undertake analysis of its distribution and generation system to evaluate options for minimizing and/or reducing exposure to wildfires including hardening, undergrounding, rerouting and/or any other similar options to limit and minimize wildfire exposure.

ARTICLE VI
NEGATIVE COVENANTS

(a) Borrower Negative Covenants in JPM Credit Agreement. The Borrower shall comply with any negative covenants applicable to it pursuant to the JPM Credit Agreement, including but not limited to the following Sections of the JPM Credit Agreement: Section 6.01 (Subsidiary Indebtedness), Section 6.02 (Liens), Section 6.05 (Restricted Payments), Section 6.06 (Transactions with Affiliates), and Section 6.08 (Prepayment of Indebtedness; Subordinated Debt).

Section 6.02. Financial Covenants.

(a) The Borrower will not permit the ratio of (i) Consolidated Indebtedness to (ii) Consolidated Total Capitalization, to exceed 0.67 to 1.00 as of the last day of each fiscal quarter of the Borrower.

(b) The Borrower will not permit the ratio of (i) EBITDA to (ii) Fixed Charges, to be less than 1.50 to 1.00 as of the last day of each fiscal quarter of the Borrower.

ARTICLE VII
EVENTS OF DEFAULT

Section 7.01. Events of Default.

If any of the following events ("***Events of Default***") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise; or

(b) the Borrower shall fail to pay any interest on any Loan or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three Business Days; or

(c) any representation or warranty made or deemed made by or on behalf of the Borrower in or in connection with this Agreement or any amendment or modification thereof or waiver thereunder, shall prove to have been incorrect in any material respect or, with respect to any representation or warranty which is already qualified as to materiality or by reference to Material Adverse Effect, shall prove to have been incorrect in any respect, when made or deemed made; or

(d) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered; or

(e) the Borrower shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing; or

(f) the Borrower shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

then, and in every such event (other than an event with respect to the Borrower described in clause (d) or (e) of this Article), and at any time thereafter during the continuance of such event, the Lender may, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitment, and thereupon the Commitment shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to the Borrower described in clause or (e) of this Article, the Commitment shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

ARTICLE VIII
MISCELLANEOUS

Section 8.01. Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by email, as follows:

(i) If to Lender:

Liberty Utilities Co.
14920 W. Camelback Road
Litchfield Park, AZ, 85340
Attention: Sarah Knowlton, General Counsel
E-mail: Sarah.Knowlton@LibertyUtilities.com

with a copy to:

Attention: Rob Dargewitcz, Vice President, Treasurer
354 Davis Road, Suite 100, Oakville, Ontario, Canada, L6J 2X1
E-mail: Rob.Dargewitcz@LibertyUtilities.com

in all cases with an electronic copy to: LegalNotices@LibertyUtilities.com

(ii) if to Borrower:

Liberty Utilities (CalPeco Electric) LLC
933 Eloise Avenue
South Lake Tahoe, CA 96150

(b) Any party hereto may change its address or email for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

Section 8.02. Waivers; Amendments.

(a) No failure or delay by the Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Lender hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section 8.02, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or the request for issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Lender may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Lender.

Section 8.03. Expenses.

(a) Without duplication, the Borrower shall pay all reasonable out-of-pocket expenses incurred by Lender, including the reasonable fees, charges and disbursements of counsel for Lender in connection with the credit facilities provided for herein, the preparation and administration of this Agreement or any amendments, modifications or waivers of the provisions hereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by Lender in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by Lender, including the fees, charges and disbursements of any counsel for Lender, in connection with the enforcement or protection of its rights in connection with this Agreement, including its rights under this Section 8.03, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Certain of Lender's actual out-of-pocket costs already incurred to establish and maintain the JPM Credit Agreement will be recovered through a charge to the Borrower equal to its cost allocation percentage under the CAM for the immediately preceding fiscal year ("**CAM Percentage**") times the average daily amount of Borrowings made by the Borrower hereunder that are outstanding during each quarter of the term of the JPM Credit Agreement through the Maturity Date. If any portion of the "Aggregate Commitments" under the JPM Credit Agreement commitment amount remains available on each day during each quarter of the term of the JPM

Credit Agreement through the Maturity Date (such portion, the "Undrawn JPM Credit Agreement Commitment Amount"), then an amount equal to CAM Percentage times the average daily amount of the Undrawn JPM Credit Agreement Commitment Amount for such quarter shall be allocated by Lender to the Eligible Subsidiaries pursuant to the CAM. In no event shall the portion of this amount allocated to the Borrower in any year pursuant to the preceding sentence exceed the product of the Commitment hereunder multiplied by the Borrower's CAM Percentage basis points.

(c) All fees incurred by Lender in connection with the Undrawn JPM Credit Agreement Commitment Amount will be assessed quarterly and allocated pursuant to the CAM to the Eligible Subsidiaries, with no markup.

(d) All amounts due under this Section 8.03 shall be payable promptly after written demand therefor.

Section 8.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby) any legal or equitable right, remedy or claim under or by reason of this Agreement.

Section 8.05. Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitment has not expired or terminated.

Section 8.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement constitutes the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Lender and when the Lender shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 8.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 8.08. Governing Law; Jurisdiction; Consent to Service of Process.

(a) This Agreement is intended to, and shall be construed so as to comply with, and be consistent with, all applicable law, including the laws governing public utilities of the states in which the Borrower is a public utility and the rules, regulations and policies of the state public utilities commissions that have jurisdiction over the Borrower, and in particular any orders or decisions of such commissions authorizing the entry of the Borrower into this Agreement or the borrowing of money and issuance of debt hereunder ("*Public Utilities Laws*"). In the event of any conflict between this Agreement and the Public Utilities Laws, it is the parties' intent that the Public Utilities Laws prevail.

(b) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(c) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County, Borough of Manhattan and of the United States District Court for the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Lender, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its properties in the courts of any jurisdiction.

(d) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section 8.08. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(e) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 8.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

Section 8.09. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT

IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.09.

Section 8.10. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 8.11. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate.

Section 8.12. Amendment and Restatement. On and after the Restatement Effective Date, the provisions of the Existing Credit Agreement shall be superseded by the provisions hereof except for provisions under the Existing Credit Agreement that expressly survive the termination thereof. The parties hereto acknowledge and agree that (a) the amendment and restatement of the Existing Credit Agreement pursuant to this Agreement and all other JPM Loan Documents executed and delivered in connection herewith shall not constitute a novation of the Existing Credit Agreement and the other JPM Loan Documents as in effect prior to the Restatement Effective Date and (b) all references in the other JPM Loan Documents to the Existing Credit Agreement shall be deemed to refer without further amendment to this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

LIBERTY UTILITIES CO.

Fraser McNamee

Fraser McNamee
Chief Financial Officer

Todd Wiley (May 12, 2025 08:15 PDT)

Todd Wiley
Secretary and Treasurer

LIBERTY UTILITIES (CALPECO ELECTRIC) LLC

Eric Schwarzrock
President

Crystal L Greene
Crystal L Greene (May 8, 2025 10:09 PDT)

Crystal Greene
Secretary and Treasurer

AMENDMENT NO. 1

Dated as of September 4, 2025

to

SECOND AMENDED AND RESTATED
REVOLVING CREDIT AGREEMENT

Dated as of January 1, 2025

This AMENDMENT NO. 1 (this "**Amendment**") is made as of September 4, 2025 by and between **LIBERTY UTILITIES CO.**, a Delaware corporation, as lender (the "**Lender**"), and **LIBERTY UTILTIES (CALPECO ELECTRIC) LLC**, a California limited liability corporation, as borrower (the "**Borrower**" and together with the Lender, the "**Parties**" and each, a "**Party**"), under that certain Second Amended and Restated Revolving Credit Agreement dated as of January 1, 2025 by and between the Lender and the Borrower (as amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"). Capitalized terms used herein and not otherwise defined shall have the respective meanings given to them in the Credit Agreement, as amended hereby.

WHEREAS, the Borrower has provided notice to the Lender that it shall reduce the Commitment pursuant to section 2.06 of the Credit Agreement; and

WHEREAS the Borrower and the Lender have so agreed on the terms and conditions of the amendment to the Credit Agreement to reduce the Commitment set forth herein;

NOW THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree to enter into this Amendment.

1. **Amendment to the Credit Agreement**. Subject to the satisfaction of any conditions set forth in this Amendment, the Parties hereto agree that on and as of September 15, 2025 (the "**Effective Date**"), the Credit Amendment shall be amended as follows:

(a) The definition of *"**Commitment**"* now appearing in Section 1.01 of the Credit Agreement is amended and restated in its entirety as follows:

> "*Commitment*" means, the commitment of Lender to make Revolving Loans and to arrange Letters of Credit hereunder, as such commitment may be reduced or increased from time to time pursuant to Section 2.06. As of the Restatement Effective Date, the Commitment is $400,000,000.

2. **Reference to and Effect on the Credit Agreement.**

(a) Upon the effectiveness hereof, each reference to the Credit Agreement in the Credit Agreement or any other related agreement shall mean and be a reference to the Credit Agreement as amended hereby.

(b) The Credit Agreement and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

(c) Except with respect to the subject matter hereof, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Parties, nor constitute a waiver of any provision of the Credit Agreement or any other documents, instruments and agreements executed and/or delivered in connection therewith.

3. **Governing Law.** This Amendment shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, without regard to the principles of conflict of laws.

4. **Headings.** Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

5. **Counterparts.** This Amendment may be simultaneously executed in several counterparts (including by electronic signature), each of which when executed shall be deemed to be an original, and such counterparts, together, shall constitute but one and the same instrument, which shall be sufficiently evidenced by any such original counterparts. Delivery of an executed counterpart of this Amendment transmitted electronically in legible form, including in portable document format (PDF), shall be equally effective as delivery of a manually executed counterpart of this Amendment.

[Signature pages follow.]

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the Effective Date.

LIBERTY UTILITIES CO.

By: Doneen Hobbs

Name: Doneen Hobbs
Title: President

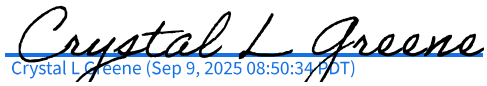
By: Todd Wiley (Sep 8, 2025 12:50:14 PDT)

Name: Todd Wiley
Title: Secretary and Treasurer

LIBERTY UTILTIES (CALPECO ELECTRIC) LLC

By: 

Name: Eric Schwarzrock
Title: President

By: 

Name: Crystal Greene
Title: Secretary and Treasurer

AMENDMENT NO. 2

Dated as of December 11, 2025

to

SECOND AMENDED AND RESTATED
REVOLVING CREDIT AGREEMENT

Dated as of January 1, 2025

This AMENDMENT NO. 2 (this "**Amendment**") is made as of December 11, 2025 by and between **LIBERTY UTILITIES CO.**, a Delaware corporation, as lender (the "**Lender**"), and **LIBERTY UTILTIES (CALPECO ELECTRIC) LLC**, a California limited liability corporation, as borrower (the "**Borrower**" and together with the Lender, the "**Parties**" and each, a "**Party**"), under that certain Second Amended and Restated Revolving Credit Agreement dated as of January 1, 2025 by and between the Lender and the Borrower (as amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"). Capitalized terms used herein and not otherwise defined shall have the respective meanings given to them in the Credit Agreement, as amended hereby.

WHEREAS the Borrower and the Lender have so agreed on the terms and conditions of the amendment to the Credit Agreement to extend the Maturity Date as set forth herein;

NOW THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree to enter into this Amendment.

1. **Amendment to the Credit Agreement**. Subject to the satisfaction of any conditions set forth in this Amendment, the Parties hereto agree that on and as of December 11, 2025 (the "**Effective Date**"), the Credit Agreement shall be amended as follows:

(a) The definition of *"**Maturity Date**"* now appearing in Section 1.01 of the Credit Agreement is amended and restated in its entirety as follows:

"*Maturity Date*" means December 31, 2026.

2. **Reference to and Effect on the Credit Agreement.**

(a) Upon the effectiveness hereof, each reference to the Credit Agreement in the Credit Agreement or any other related agreement shall mean and be a reference to the Credit Agreement as amended hereby.

(b) The Credit Agreement and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

(c) Except with respect to the subject matter hereof, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Parties, nor constitute a waiver of any provision of the Credit Agreement or any other documents, instruments and agreements executed and/or delivered in connection therewith.

3. **Governing Law.** This Amendment shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, without regard to the principles of conflict of laws.

4. **Headings.** Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

5. **Counterparts.** This Amendment may be simultaneously executed in several counterparts (including by electronic signature), each of which when executed shall be deemed to be an original, and such counterparts, together, shall constitute but one and the same instrument, which shall be sufficiently evidenced by any such original counterparts. Delivery of an executed counterpart of this Amendment transmitted electronically in legible form, including in portable document format (PDF), shall be equally effective as delivery of a manually executed counterpart of this Amendment.

[Signature pages follow.]

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the Effective Date.

LIBERTY UTILITIES CO.

By: Fraser McNamee

Name: Fraser McNamee
Title: Chief Financial Officer

By: Todd Wiley (Dec 12, 2025 10:49:45 MST)

Name: Todd Wiley
Title: Secretary and Treasurer

LIBERTY UTILTIES (CALPECO ELECTRIC) LLC

By: 

Name: Eric Schwarzrock
Title: President

By: 
Crystal L Greene (Dec 15, 2025 10:04:02 MST)

Name: Crystal Greene
Title: Secretary and Treasurer

Exhibit E

Form of Pledge and Security Agreement

PLEDGE AND SECURITY AGREEMENT

THIS PLEDGE AND SECURITY AGREEMENT (as it may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, this "Security Agreement") is entered into as of [●], 2026, by Liberty Utilities (CalPeco Electric) LLC, a limited liability company duly organized under the laws of the State of California (the "Borrower", the "Issuer" or "Grantor"), in favor of Liberty Utilities Co., a Delaware corporation (collectively with its successors and assigns, the "Lender" or "Secured Party").

PRELIMINARY STATEMENT

WHEREAS, pursuant to that certain Third Amended and Restated Revolving Credit Agreement, dated as of [●], 2026, by and between Liberty Utilities (CalPeco Electric) LLC, a limited liability company duly organized under the laws of the State of California, as Borrower thereunder, and Liberty Utilities Co., a Delaware corporation, as Lender thereunder (as amended, restated, amended and restated or otherwise modified from time to time, the "Credit Agreement"), on and subject to the terms and conditions set forth therein; and

WHEREAS, in order to induce the Lender to extend and maintain the credit under the Credit Agreement, the Grantor has agreed to grant to the Secured Party a continuing security interest in all of the Grantor's right, title and interest in and to the Collateral (as hereinafter defined) to secure the payment and performance of the Secured Obligations (as hereinafter defined).

ACCORDINGLY, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.01. *Terms Defined in Credit Agreement*. Reference is made to the Credit Agreement. All capitalized terms used herein but not otherwise defined shall have the meanings assigned to such terms in the Credit Agreement, as applicable. The terms of Section 1.01 of the Credit Agreement shall apply to this Security Agreement, as applicable, *mutatis mutandis.*

Section 1.02. *Terms Defined in UCC*. Terms defined in the UCC that are not otherwise defined in this Security Agreement or the Credit Agreement are used herein as defined in Articles 8 or 9 of the UCC, as the context may require (including as if such terms were capitalized in Article 8 or 9 of the UCC, as the context may require, the following terms: "Account," "Chattel Paper," "Document," "Electronic Chattel Paper," "Equipment," "Fixture," "General Intangible," "Goods," "Instruments," "Inventory," "Investment Property," "Letter-of-Credit Right," "Securities Entitlement," "Supporting Obligation" and "Tangible Chattel Paper").

Section 1.03. *Definitions of Certain Terms Used Herein*. As used in this Security Agreement, in addition to the terms defined in the preamble and Preliminary Statement above, the following terms shall have the following meanings:

"Account Debtor" means any Person obligated on an Account.

"Availability Period" has the meaning set forth in the Credit Agreement.

"Collateral" has the meaning set forth in Article 2.

"Collateral Documents" has the meaning set forth in the Credit Agreement.

"Borrower" has the meaning set forth in the preamble.

"Contract Rights" means all rights of any Grantor under any Contract, including (a) any and all rights to receive and demand payments under such Contract, (b) any and all rights to receive and compel performance under such Contract and (c) any and all other rights, interests and claims now existing or in the future arising in connection with such Contract.

"Contracts" means all contracts between any Grantor and one or more additional parties (including any hedging agreement, licensing agreement and any partnership agreement, joint venture agreement and/or limited liability company agreement).

"Commercial Paper Rate" has the meaning set forth in the Credit Agreement.

"Control" has the meaning set forth in Article 8 or, if applicable, in Section 9-104, 9-105, 9-106 or 9-107 of Article 9 of the UCC.

"Credit Agreement" has the meaning set forth in Section 1.01.

"Domain Names" means all Internet domain names and associated URL addresses.

"Equity Rights" means all dividends, options, warrants, instruments or other distributions and any other right or property which any Grantor shall receive or shall become entitled to receive for any reason whatsoever with respect to, in substitution for or in exchange for any equity interests constituting Collateral, any right to receive any equity interests constituting Collateral and any right to receive earnings, in which the Grantor now has or hereafter acquires any right, issued by an issuer of such equity interests.

"Excluded Assets" means, any Collateral on which a security interest cannot be perfected by any means other than by (A) central filings or fixture filings pursuant to the UCC of the relevant State(s), (B) filings in the United States government offices with respect to intellectual property as expressly required elsewhere herein or (C) other methods expressly provided herein or (ii) (A) to take any action in, or required by the laws of, any non-U.S. jurisdiction in order to create any security interests in assets located, registered or titled outside of the United States or to perfect any security interests, (B) except to the extent that perfection thereof may be achieved by a UCC filing, to perfect the Security Interest arising hereunder in (1) motor vehicles and other assets subject to certificates of title, (2) cash, cash equivalents or any deposit account, (3) other assets requiring perfection through control (other than equity interests, indebtedness, and chattel paper), (4) letter of credit rights or (5) the equity interests of any immaterial subsidiary that is not a party hereto or any Person that is not a subsidiary, or (C) to seek any landlord lien waiver, estoppel, warehouseman waiver or other collateral access or similar agreement.

"Exhibit" refers to a specific exhibit to this Security Agreement, unless another document is specifically referenced.

"Grantor" has the meaning set forth in the preamble.

"Intellectual Property Collateral" means, collectively, (a) all copyrights, patents, trademarks, Trade Secrets, Domain Names, Licenses and Software, (b) all income, royalties, damages, and payments now or hereafter due or payable with respect thereto, including damages, claims and payments for past and future misappropriations or infringements thereof and (c) all rights to sue for past, present and future infringements

of any of the foregoing, including the right to settle suits involving claims and demands for royalties owing, in each case of clauses (a) to (c), excluding any Excluded Assets.

"Issuer" has the meaning specified in the preamble.

"JPM Credit Agreement" has the meaning set forth in the Credit Agreement.

"Licenses" means, all of the Grantor's right, title, and interest in and to (a) any and all licensing agreements or similar arrangements, whether as licensor or licensee in (i) patents, (ii) copyrights, (iii) trademarks, (iv) Trade Secrets or (v) Software, (b) all income, royalties, damages, claims, and payments now or hereafter due or payable under and with respect thereto, including damages and payments for past and future breaches thereof, and (c) all rights to sue for past, present, and future breaches of any of the foregoing.

"LC Disbursement" has the meaning set forth in the Credit Agreement.

"Lien" has the meaning set forth in the Credit Agreement.

"LC Exposure" has the meaning set forth in the Credit Agreement.

"Loan Documents" shall mean this Security Agreement, the Credit Agreement, any other Collateral Documents, the Note and any other document or instrument evidencing any of the Secured Obligations.

"Lender" has the meaning set forth in the preamble.

"Permits" shall mean, all licenses, permits, rights, orders, variances, franchises or authorizations of or from any Governmental Authority or agency.

"Letter of Credit" has the meaning set forth in the Credit Agreement.

"Permitted Liens" means any Lien on the Collateral that is not prohibited (including with respect to priority) under this Security Agreement or the Credit Agreement and subject to the Liens on the Collateral securing the Secured Obligations to the provisions thereof.

"Loans" has the meaning set forth in the Credit Agreement.

"Pledged Collateral" means all Pledged Equity Interests, including all stock certificates, options or rights of any nature whatsoever in respect of the Pledged Equity Interests that may be issued or granted to, or held by, any Grantor, all Instruments and debt securities owned by any Grantor, whether or not physically delivered to the Secured Party pursuant to this Security Agreement, whether now owned or hereafter acquired by the Grantor and any and all Proceeds thereof.

"Loan Party" means the Borrower and any other Person that is or becomes party to this Security Agreement or any other Loan Document as a grantor or obligor.

"Pledged Equity Interests" means, with respect to any Grantor, the shares of equity interests held by the Grantor, together with any other shares as are hereafter acquired by the Grantor.

"Proceeds" has the meaning assigned in Article 9 of the UCC and, in any event, shall also include but not be limited to (a) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to any Secured Party or any Grantor from time to time with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and payable to any Grantor from time to time in connection

with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any Governmental Authority, (c) any and all Equity Rights and (d) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Receivables" means any Account, Chattel Paper, Document, Instrument and/or any General Intangible, in each case, that is a right or claim to receive money (whether or not earned by performance).

"Secured Party" has the meaning set forth in the preamble.

"Secured Obligations" shall mean all Loans (as defined in the Credit Agreement), all LC Disbursements (as defined in the Credit Agreement), all interest, fees and other amounts payable by the Borrower to the Lender under the Credit Agreement or any other Loan Document, and all other obligations and liabilities of the Borrower to the Lender, howsoever arising, under or in connection with the Credit Agreement or any other Loan Document, whether direct or indirect, absolute or contingent, due or to become due.

"Security Agreement" has the meaning set forth in the preamble.

"Restatement Effective Date" has the meaning set forth in the Credit Agreement.

"Software" means computer programs, source code, object code and supporting documentation including "software" as such term is defined in Article 9 of the UCC, as well as computer programs that may be construed as included in the definition of Goods.

"Revolving Credit Exposure" has the meaning set forth in the Credit Agreement.

"Termination Date" means the date on which (a) the Commitment (as defined in the Credit Agreement) has terminated or expired, (b) payment in full in cash of all Secured Obligations (other than inchoate indemnification obligations at the time of the payment of all other Secured Obligations owing under the Credit Agreement) has been made, and (c) payment in full of all costs and expenses of the Secured Party in connection with this Security Agreement that are required to be paid or reimbursed by Grantors pursuant hereto has been made.

"Revolving Loan" has the meaning set forth in the Credit Agreement.

"Trade Secrets" means, with respect to any Grantor, all of the Grantor's right, title and interest in and to the following: (a) confidential and proprietary information that constitutes a "trade secret" under applicable law, including confidential and proprietary unpatented inventions, invention disclosures, engineering or other data, information, production procedures, know-how, financial data, customer lists, supplier lists, business and marketing plans, processes, schematics, algorithms, techniques, analyses, proposals, source code, data, databases and data collections, in each case, that constitutes a "trade secret" under applicable law; and (b) all rights corresponding to any of the foregoing.

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York; *provided*, if by reason of mandatory provisions of Law, the perfection, the effect of perfection or non-perfection or the priority of, or remedies with respect to, the security interests of the Secured Party in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, the term "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority or remedies.

ARTICLE 2
GRANT OF SECURITY INTEREST

Section 2.01. *Grant of Security Interest.*

(a) As security for the prompt and complete payment or performance, as the case may be, in full of the Secured Obligations, the Grantor hereby pledges, collaterally assigns, mortgages, transfers and grants to the Secured Party, its successors and permitted assigns, a continuing security interest in all of its right, title and interest in, to all of the following personal property and other assets, whether now owned by or owing to, or hereafter acquired by or arising in favor of the Grantor, and regardless of where located (all of which are collectively referred to as the "Collateral"):

(i) all Accounts;

(ii) all Chattel Paper (including all Tangible Chattel Paper and all Electronic Chattel Paper);

(iii) all Intellectual Property Collateral;

(iv) all Documents;

(v) all Equipment;

(vi) all Fixtures;

(vii) all General Intangibles;

(viii) all Goods;

(ix) all Instruments;

(x) all Inventory;

(xi) all Investment Property, Pledged Equity Interests and other Pledged Collateral;

(xii) all letters of credit and Letter-of-Credit Rights;

(xiii) all Permits;

(xiv) all recorded data of any kind or nature, regardless of the medium of recording;

(xv) all Contracts, together with all Contract Rights arising thereunder;

(xvi) all Securities Entitlements in any or all of the foregoing;

(xvii) all other personal property not constituting Excluded Assets not otherwise described in clauses (i) through (xvi) above;

(xviii) all Supporting Obligations; and

(xix) all accessions to, substitutions and replacements for and Proceeds and products of the foregoing, together with all books and records, customer lists, credit files, computer files,

programs, printouts and other computer materials and records related thereto and any General Intangibles at any time evidencing or relating to any of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing.

(b) Notwithstanding the foregoing, the term "Collateral" (and any component definition thereof) shall not include any Excluded Asset. Notwithstanding anything to the contrary contained herein, immediately upon the ineffectiveness, lapse or termination of any restriction or condition set forth in the definition of "Excluded Assets" that prevented the grant of a security interest in any right, interest or other asset that would have, but for such restriction or condition, constituted Collateral, the Collateral shall include, and the relevant Grantor shall be deemed to have automatically granted a security interest in, such previously restricted or conditioned right, interest or other asset, as the case may be, as if such restriction or condition had never been in effect.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

The Grantor represents and warrants to the Secured Party as and when required under the Credit Agreement, that:

Section 3.01. *Title, Perfection and Priority; Filing Collateral*. This Security Agreement is effective to create a legal, valid and enforceable Lien on and security interest in the Collateral in favor of the Secured Party and, subject to the terms of Section 4.02 of the Credit Agreement, the Secured Party will have a fully perfected Lien on such Collateral securing the Secured Obligations to the extent perfection can be achieved by the terms hereof.

Section 3.02. *Intellectual Property*. As of the date hereof, no Grantor has actual knowledge of (a) any third-party claim (i) that any of its owned patent, trademark or copyright registrations or applications is invalid or unenforceable, or (ii) challenging the Grantor's rights to such registrations and applications or (b) any valid basis for such a claim, other than, in each case, to the extent any such third-party claim would not reasonably be expected to have a Material Adverse Effect.

Section 3.03. *Pledged Collateral*. (a) All Pledged Equity Interests have been duly authorized and validly issued (to the extent such concepts are relevant with respect to such Pledged Equity Interests) by the issuer thereof and is fully paid and non-assessable, (b) as of the Restatement Effective Date, the Grantor is the direct owner, beneficially and of record, of the Pledged Equity Interests described in Schedule 3 as held by the Grantor and (c) as of the Restatement Effective Date, the Grantor holds the Pledged Equity Interests described in Schedule 3 as held by the Grantor free and clear of all Liens (other than Permitted Liens).

Section 3.04. *No Financing Statements*. Except for financing statements (a) relating to Permitted Liens, (b) that have been terminated or (c) as to which the Secured Party has received notice, no financing statement describing any of the Collateral is on file in any jurisdiction.

ARTICLE 4
COVENANTS

From the date hereof, and thereafter until the Termination Date:

Section 4.01. *General*.

(a) Authorization to File Financing Statements; Ratification. The Grantor hereby (i) authorizes the Secured Party (or its designee) to file (A) all financing statements (including fixture filings) and amendments thereto with respect to the Collateral naming the Grantor as debtor and the Secured Party as secured party, in form appropriate for filing under the UCC of the relevant jurisdiction and (B) filings with the United States Patent and Trademark Office and the United States Copyright Office (including any Intellectual Property Security Agreement) for the purpose of perfecting, enforcing, maintaining or protecting the Lien of the Secured Party in United States issued, registered and applied for patents, trademarks and copyrights (in each case, solely to the extent constituting Collateral) and naming the Grantor as debtor and the Secured Party as secured party and (ii) subject to the terms of the Loan Documents, agrees to take such other actions, in each case, as may from time to time be necessary and reasonably requested by the Secured Party (and authorizes the Secured Party (or its designee) to take any such other actions, which it has no obligation to take) in order to establish and maintain a valid, enforceable and perfected security interest in and subject, in the case of Pledged Collateral, to Section 4.02, Control of, the Collateral. The Grantor shall pay any applicable filing fees, recordation fees and related expenses relating to its Collateral in accordance with Section 9.03 of the Credit Agreement. Any financing statement filed by the Secured Party may (i) indicate the Collateral (A) as "all assets" of the applicable Grantor or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC of such jurisdiction, or (B) by any other description which reasonably approximates the description contained in this Security Agreement and (ii) contain any other information required by part 5 of Article 9 of the UCC for the sufficiency or filing office acceptance of any financing statement or amendment, including (A) in each case to the extent applicable, whether the Grantor is an organization, the type of organization and any organization identification number issued to the Grantor and (B) in the case of a financing statement filed as a fixture filing, a sufficient description of the relevant real property to which the Collateral relates. The Grantor agrees to furnish any such information to the Secured Party promptly upon request.

(b) Further Assurances. The Grantor agrees, at its own expense, to take any and all actions reasonably necessary to defend title to the Collateral against all Persons (other than Persons holding Permitted Liens on such Collateral that have priority over the Secured Party's Lien) and to defend the security interest of the Secured Party in the Collateral and the priority thereof against any Lien that is not a Permitted Lien.

(c) Limitations on Actions. Notwithstanding anything to the contrary in this Security Agreement, no Grantor shall be required to take any action in connection with Collateral pledged hereunder (and no security interest in such Collateral shall be required to be perfected) except to the extent consistent with the Credit Agreement or expressly required hereunder and except in accordance with applicable law.

Section 4.02. *Pledged Collateral*.

(a) Delivery of Certificated Securities and Instruments. The Grantor will, (i) with respect to any Pledged Collateral owned on the Restatement Effective Date, deliver to the Secured Party, any Pledged Collateral in accordance with the Credit Agreement and (ii) after the Restatement Effective Date, hold in trust for the Secured Party upon receipt and, on or before the last day of any fiscal quarter ending after the Restatement Effective Date (or such longer period as the Secured Party may reasonably agree), deliver to the Secured Party any (A) certificated Security representing or evidencing Pledged Collateral and (B) Instrument owing from a Person who is not a Loan Party (x) in each case under this clause (B), having an outstanding balance in excess of $10,000,000 and (y) in each case under clauses (A) and (B), constituting Collateral received after the date hereof, accompanied by undated instruments of transfer or assignment duly executed in blank. Notwithstanding anything to the contrary in this Security Agreement or any other Loan Document, it being understood and agreed that the Grantors are not required to deliver any Tangible Chattel Paper or Document to the Secured Party.

(b) Uncertificated Securities and Pledged Collateral. With respect to any partnership interest or limited liability company interest owned by any Grantor which is required to be pledged to the Secured Party pursuant to the terms hereof (other than a partnership interest or limited liability company interest held by a clearing corporation, securities intermediary or other financial intermediary of any kind) which is not represented by a certificate and which is not a Security for purposes of the UCC, the Grantor shall not permit any issuer of such partnership interest or limited liability company interest to allow such partnership interest or limited liability company interest (as applicable) to become a Security unless the Grantor causes such interest to be represented by a certificate and complies with the procedures set forth in Section 4.02(a) within the time period prescribed therein. Any Grantor which is an issuer of any uncertificated Pledged Collateral described in this Section 4.02(b) hereby agrees to comply with all instructions from the Secured Party without the Grantor's further consent, in each case, subject to the notice requirements set forth in Section 5.01(a)(iv) hereof.

(c) Registration in Nominee Name; Denominations. The Secured Party shall hold certificated Pledged Collateral required to be delivered to the Secured Party under clause (a) above in the name of the applicable Grantor, endorsed or assigned in blank or in favor of the Secured Party, but at any time when an Event of Default has occurred and is continuing, and upon at concurrent written notice to the Issuer, the Secured Party shall have the right to hold the Pledged Collateral in its own name as pledgee, or in the name of its nominee (as pledgee). At any time when an Event of Default has occurred and is continuing, the Secured Party shall have the right to exchange the certificates representing Pledged Collateral for certificates of smaller or larger denominations for any purpose consistent with this Security Agreement.

(d) Exercise of Rights in Pledged Collateral. It is agreed that:

(i) without in any way limiting the foregoing and subject to clause (ii) below, the Grantor shall have the right to exercise all voting rights and other rights relating to the Pledged Collateral for any purpose that does not violate this Security Agreement, the Note or any other Loan Document;

(ii) the Secured Party or its nominee shall have the right at any time when an Event of Default has occurred and is continuing to exercise the rights and remedies provided under Section 5.01(a)(iv) (subject to the notice requirements set forth therein); and

(iii) subject to Section 5.01(a)(iv), the Grantor shall be entitled to receive and retain any and all dividends, interest, principal and other distributions paid on or distributed in respect of the Pledged Collateral; provided, that any non-cash dividend or other distribution that would constitute Pledged Collateral, whether resulting from a subdivision, combination or reclassification of the outstanding equity interests of the issuer of any Pledged Collateral or received in exchange for Pledged Collateral or any part thereof, or in redemption thereof, or as a result of any merger, consolidation, acquisition or other exchange of assets to which such issuer may be a party or otherwise, shall, to the extent constituting Collateral, be and become part of the Pledged Collateral, and, if received by any Grantor and subject to clause (a) above, shall be delivered to the Secured Party as and to the extent required by clause (a) above.

(e) Return of Pledged Collateral. The Secured Party shall promptly deliver to the applicable Grantor (without recourse and without any representation or warranty) any Pledged Collateral in its possession if requested to be delivered to the issuer or holder thereof in connection with any action or transaction that is permitted or not restricted by the Credit Agreement in accordance with the Credit Agreement.

Section 4.03. *Intellectual Property*.

(a) At any time when an Event of Default has occurred and is continuing, and upon the written request of the Secured Party, the Grantor will (i) to the extent required pursuant to any material License in the U.S. included in the Collateral, use its commercially reasonable efforts to obtain all consents and approvals necessary for the assignment to or for the benefit of the Secured Party of any such License held by the Grantor to enable the Secured Party lawfully exercise its legal rights and remedies hereunder and (ii) to the extent required pursuant to any material License in the U.S. included in the Collateral under which the Grantor is the licensee, deliver to the licensor thereunder any notice of the grant of security interest hereunder or such other notices required to be delivered thereunder in order to permit the security interest created or permitted to be created hereunder pursuant to the terms of such License.

(b) The Grantor shall notify the Secured Party promptly if it knows that any application for or registration of any Patent, trademark or copyright included in the Collateral (now or hereafter existing) will become abandoned or dedicated to the public, or of any determination by a Governmental Authority (including the determination by the United States Patent and Trademark Office, the United States Copyright Office or any court) abandoning the Grantor's ownership of any such patent, trademark or copyright included in the Collateral, its right to register the same, or to keep and maintain the same, except, in each case, (i) to the extent the same is permitted or not restricted by the Credit Agreement or (ii) where the same, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(c) In the event that any Grantor files an application for the registration of any patent, trademark or copyright with the United States Patent and Trademark Office or the United States Copyright Office, or acquires any such application or registration by purchase or assignment, in each case, after the Restatement Effective Date and to the extent the same constitutes Collateral (and other than as a result of an application that is then subject to an Intellectual Property Security Agreement becoming registered), it shall on or before the date on which such application or registration is filed or acquired (or within 10 days thereof) (or such longer period as the Secured Party may reasonably agree), notify the Secured Party thereof and, reasonably promptly following the Secured Party's request, execute and deliver to the Secured Party, at the Grantor's sole cost and expense, any Intellectual Property Security Agreement or other instrument as the Secured Party may reasonably request and require to evidence the Secured Party's security interest in such registered patent, trademark or copyright (or application therefor), and the General Intangibles of the Grantor relating thereto or represented thereby.

(d) The Grantor shall take all actions reasonably necessary to (i) maintain and pursue each application and to obtain and maintain the registration of each patent, trademark, and, to the extent consistent with past practices, copyright included in the Collateral (now or hereafter existing), including by filing applications for renewal, affidavits of use, affidavits of non-contestability and, if reasonably necessary and if consistent with good business judgment (taking into account the projected cost of such proceedings versus the expected benefit thereof), by initiating opposition and interference and cancellation proceedings against third parties, (ii) maintain and protect the secrecy or confidentiality of its Trade Secrets and (iii) otherwise protect and preserve the Grantor's rights in, and the validity or enforceability of, its Intellectual Property Collateral, in each case, except where failure to do so (A) could not reasonably be expected to result in a Material Adverse Effect, or (B) is otherwise permitted under the Credit Agreement.

(e) The Grantor shall promptly notify the Secured Party of any infringement or misappropriation of the Grantor's patents, trademarks, copyrights or Trade Secrets included in the Collateral of which it becomes aware and shall take such actions that, in the Grantors' commercially reasonable business judgment, are reasonable and appropriate under the circumstances to protect such patent, trademark, copyright or Trade Secret, in each case, except where such infringement or misappropriation could not reasonably be expected to cause a Material Adverse Effect.

Section 4.04. *Change of Locations; Name, Etc.* The Grantor shall not (a) change its name, identity, corporate structure or state of formation or (b) change the location of its chief executive office or principal place of business, in each case, without providing at least thirty (30) days' prior written notice to the Secured Party and taking all actions reasonably requested by the Secured Party to maintain the perfection and priority of the Secured Party's security interest in the Collateral.

Section 4.05. *Collateral Maintenance*. The Grantor shall (a) keep the Collateral in good order, repair and condition (ordinary wear and tear excepted), (b) not waste, destroy or permit any material diminution in the value of the Collateral, (c) maintain insurance with respect to the Collateral as required by the Credit Agreement and (d) pay promptly when due all taxes and other governmental charges, all Liens and all other charges now or hereafter imposed upon or affecting any Collateral.

Section 4.06. *Grantors Remain Liable*.

(a) The Grantor (rather than the Secured Party) shall remain liable (as between itself and any relevant counterparty) to observe and perform all the conditions and obligations to be observed and performed by it under any Contract relating to the Collateral, all in accordance with the terms and conditions thereof. The Secured Party shall not have any obligation or liability under any Contract by reason of or arising out of this Security Agreement or the receipt by the Secured Party of any payment relating to such Contract pursuant hereto, nor shall the Secured Party be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Contract, to make any payment, to make any inquiry as to the nature or sufficiency of any performance or to collect the payment of any amounts which may have been assigned to them or to which they may be entitled at any time or times.

(b) The Grantor assumes all liability and responsibility in connection with the Collateral acquired by it, and the liability of the Grantor to pay the Secured Obligations shall in no way be affected or diminished by reason of the fact that such Collateral may be lost, destroyed, stolen, damaged or for any reason whatsoever unavailable to the Grantor.

(c) Notwithstanding anything herein to the contrary, the Grantor (rather than the Secured Party) shall remain liable under each of the Accounts to observe and perform all of the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise to such Accounts. The Secured Party shall not have any obligation or liability under any Account (or any agreement giving rise thereto) by reason of or arising out of this Security Agreement or the receipt by the Secured Party of any payment relating to such Account pursuant hereto, nor shall the Secured Party be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Account (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by them or as to the sufficiency of any performance by any party under any Account (or any agreement giving rise thereto), to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to them or to which they may be entitled at any time or times.

ARTICLE 5
REMEDIES

Section 5.01. *Remedies*.

(a) The Grantor agrees that, at any time when an Event of Default has occurred and is continuing, the Secured Party may exercise any or all of the following rights and remedies (in addition to the rights and remedies existing under applicable law):

(i) the rights and remedies provided in this Security Agreement, the Credit Agreement, or any other Loan Document; provided, that this Section 5.01(a) shall not limit any rights available to the Secured Party prior to the occurrence of an Event of Default;

(ii) the rights and remedies available to a secured party under the UCC (whether or not the UCC applies to the affected Collateral) or under any other applicable law (including any law governing the exercise of a bank's right of setoff or bankers' Lien) when a debtor is in default under a security agreement;

(iii) without notice (except as specifically provided in Section 7.01 or elsewhere herein), demand or advertisement of any kind to any Grantor or any other Person, but subject to the terms of any applicable lease agreement, personally, or by agents or attorneys, enter the premises of any Grantor where any Collateral is located (through self-help and without judicial process) to collect, receive, assemble, process, appropriate, sell, lease, assign, grant an option or options to purchase or otherwise dispose of, deliver, or realize upon, the Collateral or any part thereof in one or more parcels at one or more public or private sales (which sales may be adjourned or continued from time to time with or without notice and may take place at the Grantor's premises or elsewhere), for cash, on credit or for future delivery without assumption of any credit risk, and upon such other terms as the Secured Party may deem commercially reasonable;

(iv) upon concurrent written notice to the Issuer, (A) transfer and register in its name or in the name of its nominee the whole or any part of the Pledged Collateral, and (B) exercise the voting and all other rights as a holder with respect thereto (whereupon the voting and other rights of the Grantor described in Section 4.02(d)(i) above shall immediately cease such that the Secured Party shall have the sole right to exercise such voting and other rights while the relevant Event of Default is continuing), to collect and receive all cash dividends, interest, principal and other distributions made thereon (it being understood that, following the taking of the actions described in this clause (iv), all Equity Rights received by any Grantor while the relevant Event of Default is continuing shall be received in trust for the benefit of the Secured Party and forthwith paid over to the Secured Party in the same form as so received (with any necessary endorsements)) and to otherwise act with respect to the Pledged Collateral as though the Secured Party was the outright owner thereof; and

(v) to take possession of the Collateral or any part thereof, by directing the Grantor in writing to deliver the same to the Secured Party at any reasonable place or places designated by the Secured Party, in which event the Grantor shall at its own expense forthwith cause the same to be moved to the place or places so designated by the Secured Party and there delivered to the Secured Party;

(b) The Grantor acknowledges and agrees that compliance by the Secured Party with any applicable state or federal law in connection with a disposition of the Collateral will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

(c) Any Secured Party shall have the right in any public sale and, to the extent permitted by applicable law, in any private sale, to purchase all or any part of the Collateral so sold, free of any right of equity redemption that Grantor is permitted to release and waive pursuant to applicable law, and the Grantor hereby expressly releases such right to equity redemption to the extent permitted by applicable law.

(d) Until the Secured Party is able to effect a sale, lease, transfer or other disposition of any particular Collateral under this Section 5.01, the Secured Party shall have the right to hold or use such Collateral, or any part thereof, to the extent that it deems appropriate for the purpose of preserving such

Collateral or the value of such Collateral or for any other purpose deemed reasonably appropriate by the Secured Party. At any time when an Event of Default has occurred and is continuing, the Secured Party may, if it so elects, seek the appointment of a receiver or keeper to take possession of any Collateral and to enforce any of the Secured Party's remedies, with respect to such appointment without prior notice or hearing as to such appointment.

(e) Notwithstanding the foregoing, the Secured Party shall not be required to (i) make any demand upon, or pursue or exhaust any of their rights or remedies against, the Grantors, any other obligor, guarantor, pledgor or any other Person with respect to the payment of the Secured Obligations or to pursue or exhaust any of their rights or remedies with respect to any Collateral therefor or any direct or indirect guarantee thereof, (ii) marshal the Collateral or any guarantee of the Secured Obligations or to resort to the Collateral or any such guarantee in any particular order, or (iii) effect a public sale of any Collateral.

(f) The Grantor recognizes that the Secured Party may be unable to effect a public sale of any or all the Pledged Collateral and may be compelled to resort to one or more private sales thereof. The Grantor also acknowledges that any private sale may result in prices and other terms less favorable to the seller than if such sale were a public sale and, notwithstanding such circumstances, agrees that no such private sale shall be deemed to have been made in a commercially unreasonable manner solely by virtue of such sale being private. The Secured Party shall be under no obligation to delay a sale of any of the Pledged Collateral for the period of time necessary to permit any Grantor or the issuer of any Pledged Collateral to register such securities for public sale under the Securities Act, as amended, or under applicable state securities law, even if any Grantor and the issuer would agree to do so.

(g) The Secured Party (by its acceptance of the benefits of this Security Agreement) acknowledge and agree that notwithstanding any other provision in this Security Agreement or any other Loan Document, the exercise of rights or remedies with respect to certain Collateral and the enforcement of any security interests therein may be limited or restricted by, or require any consent, authorization, approval or license under, any law.

Section 5.02. *Grantors' Obligations Upon Default*. Upon the request of the Secured Party at any time when an Event of Default has occurred and is continuing, the Grantor will:

(a) at its own cost and expense (i) assemble and make available to the Secured Party, the Collateral and all books and records relating thereto at any place or places reasonably specified by the Secured Party, whether at the Grantor's premises or elsewhere, (ii) deliver all tangible evidence of its Accounts and Contract Rights (including all documents evidencing the Accounts and all Contracts) and such books and records to the Secured Party or to its representatives (copies of which evidence and books and records may be retained by the Grantor) and (iii) if the Secured Party so directs and in a form and in a manner reasonably satisfactory to the Secured Party, add a legend to the Accounts and the Contracts, as well as books, records and documents (if any) of the Grantor evidencing or pertaining to such Accounts and Contracts, which legend shall include an appropriate reference to the fact that such Accounts and Contracts have been assigned to the Secured Party and that the Secured Party has a security interest therein; and

(b) subject to the terms of any applicable lease agreement, permit the Secured Party and/or its representatives and/or agents, to enter, occupy and use any premises where all or any part of the Collateral, or the books and records relating thereto, or both, are located, to take possession of all or any part of the Collateral or the books and records relating thereto, or both, to remove all or any part of the Collateral or the books and records relating thereto, or both, and to conduct sales of the Collateral, without any obligation to pay any Grantor for such use and occupancy.

Section 5.03. *Intellectual Property Remedies*.

(a) Solely for the purpose of enabling the Secured Party to exercise the rights and remedies under this Article 5 at such time when an Event of Default has occurred and is continuing, and at such time as the Secured Party is lawfully entitled to exercise such rights and remedies, the Grantor hereby grants to the Secured Party a limited power of attorney to sign any document which may be required by the United States Patent and Trademark Office, the United States Copyright Office, domain name registrar or similar registrar in order to effect an absolute assignment of all right, title and interest in each registered patent, trademark, Domain Name and copyright and each application for any such registration, in each case, included in the Collateral and owned by the Grantor, and record the same. Solely for the purpose of enabling the Secured Party to exercise the rights and remedies under this Article 5 at any time when an Event of Default has occurred and is continuing (and to the extent not in violation of the terms of Section 5.03(b)), the Secured Party may (i) declare the entire right, title and interest of the Grantor in and to each item of Intellectual Property Collateral to be vested in the Secured Party, in which event such right, title and interest shall immediately vest in the Secured Party, and the Secured Party shall be entitled to exercise the power of attorney referred to in this Section 5.03 to execute, cause to be acknowledged and notarized and record such absolute assignment with the applicable agency or registrar; (ii) sell any Grantor's Inventory constituting Collateral directly to any Person (including Persons who have previously purchased any Grantor's Inventory from the Grantor) and in connection with any such sale or other enforcement of the Secured Party's rights under this Security Agreement, sell Inventory constituting Collateral which bears any trademark owned by or licensed to any Grantor and any Inventory constituting Collateral that is covered by any Intellectual Property Collateral owned by or licensed to any Grantor, and the Secured Party may finish any work in process and affix any relevant trademark owned by or licensed to the Grantor and constituting Collateral, and sell such Inventory as provided herein (in each case in this clause (ii), subject to (A) any restrictions or limitations contained in any applicable agreements the Grantor has entered into with any third party and (B) in the case of trademarks, with respect to the goods and/or services in connection with which such trademarks are used, the maintenance of quality standards that are sufficient to preserve the validity of such trademarks); (iii) direct the Grantor to refrain, in which event the Grantor shall refrain, from using any Intellectual Property Collateral in any manner whatsoever, directly or indirectly; and (iv) assign or sell any patent, trademark, copyright, Domain Name, and/or Trade Secret, in each case, to the extent constituting Collateral, as well as the goodwill of the Grantor's business symbolized by any such trademark and the right to carry on the business and use the assets, in each case, to the extent constituting Collateral, of the Grantor in connection with which any such trademark or Domain Name has been used.

(b) Subject to the following sentence in this Section 5.03(b) the Grantor hereby grants to the Secured Party an irrevocable (until the Termination Date), nonexclusive, royalty-free, worldwide license in and to the Intellectual Property Collateral now owned or hereafter acquired by the Grantor, wherever the same may be located, and including in such license, to the extent permissible under any applicable agreement, reasonable access to all media owned or controlled by the Grantor in which any of such licensed Intellectual Property Collateral may be recorded or stored and (to the extent not prohibited by any applicable license) to all computer software and programs used by the Grantor for compilation or printout thereof. The license granted to the Secured Party pursuant to the preceding sentence may be exercised, at the option of the Secured Party, only when an Event of Default has occurred and is continuing; provided, however, that such licenses to be granted hereunder are subject to any restrictions or limitations contained in any applicable agreements the Grantor has entered into with any third party and, with respect to trademarks, are subject to, with respect to the goods and/or services in connection with which such trademarks are used, the imposition, maintenance and enforcement of quality standards and controls that are sufficient to preserve the validity of such trademarks and are consistent with the past practices of the applicable Grantor. In the case that the Secured Party enters into any sublicense or other transaction that interferes in any material respect with the ordinary conduct of the business of the Grantor, the Secured Party shall use

commercially reasonable efforts to condition its terms to be revocable in the case of the Grantor's subsequent cure of an Event of Default, and use commercially reasonable efforts to subsequently enforce such terms in the case of the Grantor's actual cure of an Event of Default. For the avoidance of doubt, the license granted to the Secured Party pursuant to this Section 5.03(b) shall automatically and immediately terminate on the Termination Date.

Section 5.04. *Application of Proceeds*.

(a) The Secured Party shall apply the proceeds of any collection, license or sublicense, assignment, sale, foreclosure or other realization of any Collateral as set forth in the Credit Agreement.

(b) Except as otherwise provided herein or in any other Loan Document, the Secured Party shall have absolute discretion as to the time of application of any such proceeds, money or balance in accordance with this Security Agreement. Upon any sale of Collateral by the Secured Party (including pursuant to a power of sale granted by statute or under a judicial proceeding), a receipt by the Secured Party or of the officer making the sale of such proceeds, moneys or balances shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Secured Party or such officer or be answerable in any way for the misapplication thereof. It is understood that the Grantors shall remain jointly and severally liable to the extent of any deficiency between the amount of the proceeds of the Collateral and the aggregate amount of the Secured Obligations.

ARTICLE 6
ACCOUNT VERIFICATION; ATTORNEY IN FACT; PROXY

Section 6.01. *Account Verification*. The Secured Party may at any time and from time to time when an Event of Default has occurred and is continuing and upon concurrent written notice to the relevant Grantor, in the Secured Party's own name, in the name of a nominee of the Secured Party, or in the name of any Grantor, communicate (by mail, telephone, facsimile or otherwise) with the Account Debtors of the Grantor, parties to Contracts with the Grantor and obligors in respect of Instruments of the Grantor to verify with such Persons, to the Secured Party's reasonable satisfaction, the existence, amount, terms of, and any other matter relating to, Accounts, Contracts, Instruments, Chattel Paper, General Intangibles and/or other Receivables that constitute Collateral.

Section 6.02. *Authorization for the Secured Party to Take Certain Action*.

(a) The Grantor hereby irrevocably authorizes the Secured Party and appoints the Secured Party (and all officers, employees or agents designated by the Secured Party) as its true and lawful attorney in fact at any time that an Event of Default has occurred and is continuing, in the sole discretion of the Secured Party (in the name of the Grantor or otherwise), (i) to contact and enter into one or more agreements with the issuers of uncertificated securities that constitute Pledged Collateral or with securities intermediaries holding Pledged Collateral as may be necessary or advisable to give the Secured Party Control over such Pledged Collateral in accordance with the terms hereof, (ii) to endorse and collect any cash proceeds of the Collateral and to apply the proceeds of any Collateral received by the Secured Party to the Secured Obligations as provided herein or in the Credit Agreement or any other Loan Document, (iii) to demand payment or enforce payment of any Receivable in the name of the Secured Party or the Grantor and to endorse any check, draft and/or any other instrument for the payment of money relating to any such Receivable, (iv) to sign the Grantor's name on any invoice or bill of lading relating to any Receivable, any draft against any Account Debtor of the Grantor, and/or any assignment and/or verification of any Receivable, (v) to exercise all of any Grantor's rights and remedies with respect to the collection of any Receivable and any other Collateral, (vi) to settle, adjust, compromise, extend or renew any Receivable,

(vii) to settle, adjust or compromise any legal proceeding brought to collect any Receivable, (viii) to prepare, file and sign the Grantor's name on a proof of claim in bankruptcy or similar document against any Account Debtor of the Grantor, (ix) to prepare, file and sign the Grantor's name on any notice of Lien, assignment or satisfaction of Lien or similar document in connection with any Receivable, (x) to change the address for delivery of mail addressed to the Grantor to such address as the Secured Party may designate and to receive, open and dispose of all mail addressed to the Grantor (provided, that copies of such mail are provided to the Grantor), (xi) to discharge past due taxes, assessments, charges, fees or Liens on the Collateral (except for Permitted Liens), (xii) to make, settle and adjust claims in respect of Collateral under policies of insurance and endorse the name of the Grantor on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance, (xiii) to obtain or maintain the policies of insurance of the types referred to in the Credit Agreement or to pay any premium in whole or in part relating thereto and (xiv) to do all other acts and things or institute any proceeding which the Secured Party may reasonably deem to be necessary (pursuant to this Security Agreement and the other Loan Documents and in accordance with applicable law) to carry out the terms of this Security Agreement and to protect the interests of the Secured Party (subject to any applicable limitation set forth herein or in any other Loan Document); and, when and to the extent required pursuant to the Credit Agreement, the Grantor agrees to reimburse the Secured Party for any payment made in connection with this paragraph or any expense (including reasonable and documented attorneys' fees, court costs and out-of-pocket expenses) and other changes related thereto incurred by the Secured Party in connection with any of the foregoing (it being understood that any such sums shall constitute additional Secured Obligations); provided, that, this authorization shall not relieve the Grantor of any of its obligations under this Security Agreement or under the Credit Agreement.

(b) The powers conferred on the Secured Party, under this Section 6.02 are solely to protect the Secured Party's interests in the Collateral and shall not impose any duty upon the Secured Party to exercise any such powers.

Section 6.03. *PROXY*. THE GRANTOR HEREBY IRREVOCABLY (UNTIL THE TERMINATION DATE CONSTITUTES AND APPOINTS THE SECURED PARTY AS ITS PROXY AND ATTORNEY-IN-FACT (AS SET FORTH IN SECTION 6.02 ABOVE) WITH RESPECT TO THE PLEDGED COLLATERAL, INCLUDING, DURING THE CONTINUATION OF AN EVENT OF DEFAULT AND SUBJECT TO ANY NOTICE REQUIREMENTS SET FORTH HEREIN, THE RIGHT TO VOTE SUCH PLEDGED COLLATERAL, WITH FULL POWER OF SUBSTITUTION TO DO SO. IN ADDITION TO THE RIGHT TO VOTE ANY SUCH PLEDGED COLLATERAL, THE APPOINTMENT OF THE SECURED PARTY AS PROXY AND ATTORNEY-IN-FACT SHALL INCLUDE THE RIGHT, UPON THE OCCURRENCE AND CONTINUATION OF AN EVENT OF DEFAULT AND SUBJECT TO ANY NOTICE REQUIREMENT SET FORTH HEREIN, TO EXERCISE ALL OTHER RIGHTS, POWERS, PRIVILEGES AND REMEDIES TO WHICH A HOLDER OF SUCH PLEDGED COLLATERAL WOULD BE ENTITLED (INCLUDING GIVING OR WITHHOLDING WRITTEN CONSENTS OF SHAREHOLDERS, CALLING SPECIAL MEETINGS OF SHAREHOLDERS AND VOTING AT SUCH MEETINGS). SUCH PROXY SHALL BE EFFECTIVE, AUTOMATICALLY AND WITHOUT THE NECESSITY OF ANY ACTION (INCLUDING ANY TRANSFER OF ANY SUCH PLEDGED COLLATERAL ON THE RECORD BOOKS OF THE ISSUER THEREOF) BY ANY PERSON (INCLUDING THE ISSUER OF SUCH PLEDGED COLLATERAL OR ANY OFFICER OR AGENT THEREOF), IN EACH CASE ONLY WHEN AN EVENT OF DEFAULT HAS OCCURRED AND IS CONTINUING AND UPON THREE BUSINESS DAYS' PRIOR WRITTEN NOTICE TO THE ISSUER.

Section 6.04. *NATURE OF APPOINTMENT*. THE APPOINTMENT OF THE SECURED PARTY AS PROXY AND ATTORNEY-IN-FACT IN THIS ARTICLE 6 IS COUPLED WITH AN INTEREST AND SHALL BE IRREVOCABLE UNTIL THE TERMINATION DATE.

ARTICLE 7
GENERAL PROVISIONS

Section 7.01. *Waivers*.

(a) No course of dealing between any Grantor and the Secured Party, or the Secured Party's failure to exercise or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof. Any single or partial exercise of any right, power or privilege hereunder shall not preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(b) All of the Secured Party's rights and remedies with respect to the Collateral, whether established hereby or by any other agreements, instruments or documents or by law, shall be cumulative and may be exercised singly or concurrently.

Section 7.02. *Limitation on Secured Party's Duty with Respect to the Collateral*. No Secured Party shall have any duty as to any Collateral in the possession or control of any Secured Party or in the possession or control of any agent or nominee of them or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto, except that each Secured Party shall use reasonable care with respect to the Collateral in its possession or under its control.

Section 7.03. *Compromises and Collection of Collateral*. The Grantor and the Secured Party recognize that setoffs, counterclaims, defenses and other claims may be asserted by obligors with respect to certain of the Receivables, that certain of the Receivables may be or become uncollectible in whole or in part and that the expense and probability of success in litigating a disputed Receivable may exceed the amount that reasonably may be expected to be recovered with respect to any Receivable. In view of the foregoing, the Grantor agrees that the Secured Party may at any time and from time to time, if an Event of Default has occurred and is continuing and upon three Business Days' prior written notice to the relevant Grantor, compromise with the obligor on any Receivable, accept in full payment of any Receivable such amount as the Secured Party in its sole and reasonable discretion shall determine or abandon any Receivable, and any such action by the Secured Party shall be commercially reasonable so long as the Secured Party acts reasonably in good faith based on information known to it at the time it takes any such action.

Section 7.04. *Secured Party Performance of Debtor Obligations*. Without having any obligation to do so, the Secured Party may, at any time when an Event of Default has occurred and is continuing and upon prior written notice to the Borrower, perform or pay any obligation which any Grantor has agreed to perform or pay under this Security Agreement and which obligation is due and unpaid and not being contested by the Grantor in good faith, and the Grantor shall reimburse the Secured Party for any amounts paid by the Secured Party pursuant to this Section 7.04 as a Secured Obligation payable in accordance with the Credit Agreement.

Section 7.05. *No Waiver; Amendments; Cumulative Remedies*. No delay or omission of the Secured Party to exercise any right or remedy granted under this Security Agreement shall impair such right or remedy or be construed to be a waiver of any Default or an acquiescence therein, and no single or partial exercise of any such right or remedy shall preclude any other or further exercise thereof or the exercise of any other right or remedy. No waiver, amendment or other variation of the terms, conditions or provisions of this Security Agreement whatsoever shall be valid unless in writing signed by the Grantors and the Secured Party with the concurrence or at the direction of the Lender to the extent required under the Credit Agreement and then only to the extent in such writing specifically set forth. All rights and remedies contained in this Security Agreement or afforded by applicable law shall be cumulative and all shall be available to the Secured Party until the Termination Date.

Section 7.06. *Limitation by Law; Severability of Provisions*. All rights, remedies and powers provided in this Security Agreement may be exercised only to the extent that the exercise thereof does not violate any applicable law, and all of the provisions of this Security Agreement are intended to be subject to all applicable law that may be controlling and to be limited to the extent necessary so that such provisions do not render this Security Agreement invalid, unenforceable or not entitled to be recorded or registered, in whole or in part. To the extent permitted by applicable law, any provision of this Security Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions of this Security Agreement; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. If the exercise of rights or remedies with respect to certain Collateral and the enforcement of any security interest therein require any consent, authorization, approval or license under any applicable law, no such action shall be taken unless and until all requisite consents, authorizations approvals or licenses have been obtained.

Section 7.07. *Security Interest Absolute*. All rights of the Secured Party hereunder, the security interests granted hereunder and all obligations of the Grantor hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Credit Agreement, any other Loan Document, any agreement with respect to any of the Secured Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document or any other agreement or instrument relating to the foregoing, (c) any exchange, release or non-perfection of any Lien on any Collateral, or any release or amendment or waiver of or consent under or departure from any guaranty, securing or guaranteeing all or any of the Secured Obligations, (d) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of any Grantor, (e) any exercise or non-exercise, or any waiver of, any right, remedy, power or privilege under or in respect of this Security Agreement or any other Loan Document or (f) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Grantor in respect of the Secured Obligations or this Security Agreement (other than a termination of any Lien contemplated by Section 7.12 or the occurrence of the Termination Date).

Section 7.08. *Benefit of Security Agreement*. The terms and provisions of this Security Agreement shall be binding upon and inure to the benefit of the Grantor and the Secured Party and its successors and permitted assigns (including all Persons who become bound as a debtor to this Security Agreement). No sale of any participation, assignment, transfer, or other disposition of any agreement governing the Secured Obligations or any portion thereof or interest therein shall in any manner impair the Lien granted to the Secured Party hereunder.

Section 7.09. *Survival of Representations*. All representations and warranties of the Grantor contained in this Security Agreement shall survive the execution and delivery of this Security Agreement until the Termination Date.

Section 7.10. *Additional Subsidiaries*. Upon the execution and delivery by any Restricted Subsidiary of a Joinder Agreement, such Restricted Subsidiary shall become a Grantor hereunder with the same force and effect as if such Restricted Subsidiary was originally named as a Grantor herein. The execution and delivery of any such instrument shall not require the consent of any other Grantor or any other Person. The rights and obligations of the Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Security Agreement.

Section 7.11. *Headings*. The titles of and section headings in this Security Agreement are for convenience of reference only, and shall not govern the interpretation of any of the terms and provisions of this Security Agreement.

Section 7.12. *Termination or Release*. This Security Agreement shall terminate and the Security Interest granted under this Agreement shall automatically be released upon the Termination Date.

Section 7.13. *Entire Agreement*. This Security Agreement, together with the other Loan Documents embodies the entire agreement and understanding between the Grantor and the Secured Party relating to the Collateral and supersedes all prior agreements and understandings between any Grantor and the Secured Party relating to the Collateral.

Section 7.14. *Governing Law; Jurisdiction; Consent to Service of Process; Waiver of Jury Trial*. The terms of Section 9.08 and Section 9.09 of the Credit Agreement with respect to governing law, submission to jurisdiction, venue and waiver of jury trial are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

Section 7.15. *Indemnity*. The Grantor hereby agrees to indemnify the Indemnitees, as, and to the extent, set forth in the Credit Agreement.

Section 7.16. *Counterparts*. This Security Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Security Agreement shall become effective when it has been executed by the parties hereto and when the Secured Party has received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Delivery of an executed counterpart of a signature page to this Security Agreement by facsimile or by email as a ".pdf" or ".tif" attachment shall be effective as delivery of a manually executed counterpart of this Security Agreement. It is understood and agreed that, subject to any applicable law, the words "execution", "signed", "signature", "delivery" and words of like import in or relating to any Loan Document shall be deemed to include any Electronic Signature, delivery or the keeping of any record in electronic form, each of which shall have the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any similar state laws based on the Uniform Electronic Transactions Act.

Section 7.17. *Waiver of Consequential Damages, Etc*. To the extent permitted by applicable law, none of the Grantors or the Secured Party shall assert, and each hereby waives, any claim against each other or any Related Party thereof, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Security Agreement or any agreement or instrument contemplated hereby, except, in the case of any claim by any Indemnitee against any of the Grantors, to the extent such damages would otherwise be subject to indemnification pursuant to the terms hereof.

Section 7.18. *Successors and Assigns*. Whenever in this Security Agreement any party hereto is referred to, such reference shall be deemed to include the successors and permitted assigns of such party; and all covenants, promises and agreements by or on behalf of any Grantor or the Secured Party in this Security Agreement shall bind and inure to the benefit of their respective successors and permitted assigns. Except in a transaction expressly permitted under the Note, no Grantor may assign any of its rights or obligations hereunder without the written consent of the Secured Party.

Section 7.19. *Survival of Agreement*. Without limiting any provision of the Credit Agreement, all covenants, agreements, indemnities, representations and warranties made by the Grantors in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Security Agreement or any other Loan Document shall be considered to have been relied upon by the Secured Party and shall survive the execution and delivery of the Loan Documents and the making of any Loans and the issuance of any Letters of Credit, regardless of any investigation made by any such Secured Party or on its behalf and notwithstanding that the Secured Party may have had notice or knowledge of any Default or Event of Default or incorrect representation or warranty at the time any credit is extended under the Credit Agreement, and shall continue in full force and effect until the Termination Date.

ARTICLE 8
NOTICES

Section 8.01. *Sending Notices*. Any notice required or permitted to be given under this Security Agreement shall be delivered in accordance with Section 9.01 of the Credit Agreement (it being understood and agreed that references in such Section to "herein," "hereunder" and other similar terms shall be deemed to be references to this Security Agreement).

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the Grantor and the Secured Party have executed this Security Agreement as of the date first above written.

LIBERTY UTILITIES (CALPECO ELECTRIC) LLC,
as the Borrower and Grantor

By: _____
Name:
Title:

By: _____
Name:
Title:

LIBERTY UTILITIES CO., as Lender and Secured Party

By: _____
Name:
Title:

By: _____
Name:
Title: