

DEVELOPMENT AGREEMENT

by and between

THE COUNTY OF COLUSA

and

Sites Project Authority

dated as of

November 4, 2025

DEVELOPMENT AGREEMENT

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DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement"), dated as of November 4, 202[5], is entered into by and between the COUNTY OF COLUSA, a political subdivision of the State of California ("County"), and Sites Project Authority, a joint powers agency formed in accordance with Government Code Section 6500, *et seq.* (the "Authority") (individually, a "Party"; collectively, the "Parties").

RECITALS

WHEREAS, the County is a political subdivision of the State of California; and

WHEREAS, the Authority is a joint powers agency created under California Government Code Sections 6500 *et seq.*, was formed pursuant to the Sites Project Authority Joint Exercise of Powers Agreement, as such agreement may be amended and restated from time to time, and pursuant to which the formation of the Sites Reservoir Committee was authorized (the "JPA Agreement"), and is governed by Phases 3, 4, and of the 5 Bylaws of the Sites Project Authority (the "Authority Bylaws"); and

WHEREAS, California Government Code Section 6508 provides that a joint powers agency shall possess and may exercise the common powers of its member agencies as specified in the joint powers agreement; and

WHEREAS, the Authority was formed in 2010 by its member agencies, all of whom are public agencies within the Sacramento River Watershed, for the following purposes: to design, permit, finance, construct, and ultimately own and operate the Sites Reservoir Project (the "Project"), a proposed 1.3-1.5 million acre-foot off-stream reservoir located approximately 10 miles west of the town of Maxwell, California. Once constructed, the Project will provide water storage and supply for the entities that pay to participate and receive benefits, including certain Authority members and other municipal entities and special districts (collectively, the "Participants"), as well as provide public benefits including environmental water supply, recreation, and regional flood control; and

WHEREAS, the Authority intends to enter into a certain Benefits and Obligations Contract (the "Benefits and Obligations Contract") with the Participants and the State of California Department of Water Resources, which will detail, among other things, the obligations of the Authority to build and maintain the Project and obligations to restore the Project site in the event the Project is not completed; and

WHEREAS, certain facilities which will be used for the Project are located within the County, including facilities, related to the Tehama-Colusa and Corning Canals, Funks Reservoir and Associated Works which serve the irrigation needs of the water districts within the Sacramento Canals Unit of the Central Valley Project; and

WHEREAS, the operation of the Project will significantly rely on utilization of existing conveyance facilities that are located within the County to divert water from the Sacramento River

for storage into the reservoir and for releases along with impeding natural flow within the Funks Creek and Stone Corral Creek; and

WHEREAS, in order to construct and operate the Project, the Authority will need the assistance, permission, and cooperation of the County on a number of activities including planning, design, permitting, construction of the new Project infrastructure and facility improvements, the potential mitigation of certain Project environmental effects which may require the placement of lands within the County in a conservation easement, and integration of facilities in the County, as well as access to certain services provided in the County including public safety services in the area, including in recreational areas, in or directly adjacent to the Project; and

WHEREAS, the County and the Authority recognize that development of the Project within the County is anticipated to provide much-needed new water supplies in the State of California and should contribute significantly to the economy of the County, including through the measures, programs, and projects developed by the Local Community Working Group, and by establishing goals, incentives and preferences for local hiring and purchasing as described in Section 2.6 of this Agreement; and

WHEREAS, the County and the Authority recognize that certain Memorandum of Understanding between Colusa County and the Sites Project Authority Regarding Area of Origin Water Rights Claims to Funks and Stone Corral Creeks, and Related Matters, dated as of November 22, 2021; and

WHEREAS, the Authority is the lead agency for the Project under the California Environmental Quality Act (Pub. Res. Code § 21000, *et seq.*) (“CEQA”) and the U.S. Department of the Interior, Bureau of Reclamation (“Reclamation”) is the lead agency under the National Environmental Policy Act (“NEPA”); and

WHEREAS, over the past several years, the Authority has issued various environmental review documents for the Project pursuant to CEQA and NEPA, including a Revised Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement (“RDEIR/SDEIS”) on November 12, 2021, and a Final Environmental Impact Report/Environmental Impact Statement (“Final EIR/EIS”) on November 2, 2023; and

WHEREAS, the RDEIR/SDEIS and Final EIR/EIS include various Project alternatives, including two alternatives (Alternatives 1 and 3) that include Project Facilities and potentially mitigation elements involving placing lands in a conservation easement within Colusa County; and

WHEREAS, on November 17, 2023, the Authority certified the Final EIR/EIS and took various related actions, including approving Alternative 3 (as defined for approval in findings adopted by Authority) as the Project for implementation; and

WHEREAS, the Parties desire to see the Project advance in a manner that will achieve its objectives, address impacts to affected County roads, adhere to various Best Management Practices (“BMPs”) set forth in the Final EIR/EIS, and promote certain shared goals such as

strengthening local workforce training and development, and contributing sales tax revenues to the local economy; and

WHEREAS, the Authority also seeks, through mutual agreement of the Parties, to identify and mitigate negative impacts to County not identified in the Final EIR/EIS that result from the construction and operation of the Project.

AGREEMENT:

NOW, THEREFORE, pursuant to the authority contained in the Development Agreement Act, as it applies to the County, and in consideration of the premises and mutual promises and covenants herein contained and other valuable consideration the receipt and adequacy of which the Parties hereby acknowledge, the Parties agree as follows:

1. DEFINITIONS.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context requires otherwise:

“Agreement” has the meaning given in the introductory paragraph.

“Applicable Rules” means the rules, regulations, ordinances, and officially adopted policies of the County in force as of the Effective Date of this Agreement that are generally applicable to all or some properties within the County.

“Authority” has the meaning given in the introductory paragraph.

“Authority Bylaws” has the meaning given in the recitals to this Agreement.

“Benefits and Obligations Contract” has the meaning given in the recitals to this Agreement.

“BMP” has the meaning given in the recitals to this Agreement.

“CDTFA” has the meaning given in Section 3.1.5.

“CEQA” has the meaning given in the recitals to this Agreement.

“Construction Workforce Policy” means a policy to be adopted by the Authority in consultation with the County and the rest of the Authority Board members.

“County” has the meaning given in the introductory paragraph.

“County Agency” means each and every agency, department, board, commission, authority, employee, and/or official acting under the authority of the County, including without limitation, the County Board of Supervisors and the Planning Commission.

“County Board of Supervisors” means the Board of Supervisors of the County and the legislative body of the County pursuant to Section 25000 of the California Government Code.

“Covered BMPs” has the meaning given in Section 2.5.2.

“Covered Expenses” means (i) payroll costs for staff in the direct employ of the County including salaries and wages (at the hourly wage rate adopted by resolution of the Board of Supervisors), under schedules of job classifications agreed upon by the Authority and the County in advance of performance of obligations under this Agreement, plus the cost of fringe benefits which shall include social security contributions, unemployment, excise and payroll taxes, workers’ compensation, health and retirement benefits, bonuses, sick leave, vacation, and holiday pay applicable thereto incurred in the performance of the County’s obligations under this Agreement; (ii) consultant and legal costs for services specifically related to this Agreement, including time spent in development and negotiation of this Agreement by County Counsel; (iii) general administrative costs and supplemental costs, including the proportion of necessary transportation, travel, and subsistence expenses of the County’s employees incurred in discharge of duties connected with the County’s obligations under this Agreement; (iv) all actual and necessary County time reasonably spent in connection with the encroachment permit, (v) all costs and expenses incurred in connection with seeking and entering into agreements regarding permits and approvals in accordance with Section 3.2.4, and (vi) other costs incurred in the performance of the County’s obligations under this Agreement to the extent approved in writing by the Authority. Covered Expenses specifically exclude the Excluded Expenses.

“Development Agreement Act” means Article 2.5 of Chapter 4 of Division 1 of Title 7 (Sections 65864 through 65869.5) of the California Government Code.

“Discretionary Action” means an action that requires the exercise of judgment, deliberation or a decision on the part of the County and/or any County Agency, in the process of approving or disapproving a particular activity, as distinguished from an activity that merely requires the County and/or any County Agency, to determine whether there has been compliance with statutes, ordinances, or regulations.

“Effective Date” means the date on which this Agreement shall be effective in accordance with Section 5.1 hereof.

“ESAL” is Equivalent Single Axle Load and has the meaning given in Section 3.2.6.

“Excluded Expenses” means (i) overhead, mark-up or other general expense costs of any kind not specifically and expressly included in the definition of Covered Expenses, (ii) any costs related to the County’s general involvement in the Project as a member of the Authority, a member of the Reservoir Committee, or as an investor in the Project, including payroll costs and other compensation of the County’s officers, executives, general managers, estimators, attorneys, auditors, accountants, purchasing and contracting agents, expeditors, timekeepers, clerks, and other personnel employed by the County whether at the Project site or in the County’s offices or elsewhere for general administration of the County’s work related to the Project, and (iii) expenses of the County’s principal and branch offices.

“Fees” means Impact Fees, Processing Fees and any other fees or charges adopted by ordinance of the Board of Supervisors and collected by County.

“Final EIR/EIS” has the meaning given in the recitals to this Agreement.

“Impact Fees” has the meaning given in Section 3.3.11.

“Improved Local Roads and Crossing Structures” has the meaning given in Section 3.2.2.

“JPA Agreement” has the meaning given in the recitals to this Agreement.

“Land Use Approvals” means those Discretionary Actions related to the use of the land over which the Project and its ancillary facilities will be constructed and operated to be taken by the County. Land Use Approvals also include any subsequent Discretionary Actions that are necessary for implementation of the Project.

“Local Community Working Group” means the group organized by the Authority to provide input and feedback to the Authority to help inform Project planning and development activities. The Local Community Working Group generally consists of participating public agencies in the Project Area, labor, trade and business associations, local, state and federal elected officials and staff and other members of the communities’ potential affected by the Project.

“Local Area” means the Project Area plus Butte, Placer, Sacramento, Shasta, Sutter, Tehama, and Yuba counties.

“Local Roads and Crossing Structures” has the meaning given in Section 3.2.4.2.

“Local Roads and Crossing Structures for Repair” has the meaning given in Section 3.2.1.

“Maxwell Community Plan” means the planning activities being undertaken by Colusa County to evaluate and define the economic development opportunities associated with the Project and establish changes to land use designations or County codes, ordinances, or regulations that will be necessary to implement the adopted plan for the Maxwell community area.

“Ministerial Permits and Approvals” means the permits, approvals, plans, inspections, certificates, documents, licenses, and all other actions, if any, required to be taken by the County and/or County Agency in order for a Project developer to implement, develop and construct the Project in accordance with the Final Approved EIR/EIS, including without limitation, building permits, foundation permits, public works permits, grading permits, stockpile permits, encroachment permits, and other similar permits and approvals that may be required. Ministerial Permits and Approvals shall not include any Discretionary Actions.

“New Local Roads and Crossing Structures” has the meaning given in Section 3.2.3.

“NEPA” has the meaning given in the recitals to this Agreement.

“Parties” has the meaning given in the introductory paragraph.

“Party” has the meaning given in the introductory paragraph.

“Planning Commission” means the County Planning Commission and the planning agency of the County pursuant to Section 65867 of the California Government Code.

“Planning Director” means the individual designated by the Board of Supervisors as the Director of Planning or Planning Director or Director of Community Development, or Community Development Director for the County.

“Processing Fees” means all processing fees and charges required by the County or any County Agency including, but not limited to, fees for land use applications, project permits, building applications, building permits, ministerial permits and approvals, grading permits, encroachment permits, tract or parcel maps, lot line adjustments, air right lots, street vacations, and certificates of occupancy that are necessary to accomplish the intent and purpose of this Agreement. Expressly exempted from Processing Fees are all Impact Fees.

“Project” has the meaning given in the recitals to this Agreement.

“Property” means the real property on which the Project will be located, and the pipeline route depicted on Annex 1 to Exhibit B (Project Specific Information).

“Project Area” means Colusa, Glenn, and Yolo counties.

“RDEIR/SDEIS” has the meaning given in the recitals to this Agreement.

“Reserved Powers” means the rights and authority excepted from this Agreement’s restrictions on the County’s police powers and which are instead reserved to the County. The Reserved Powers include the powers to enact regulations or take future Discretionary Actions after the Effective Date of this Agreement that may be in conflict with the Applicable Rules and Land Use Approvals, but: (1) are necessary to protect the public health and safety, and are generally applicable on a County-wide basis (except in the event of natural disasters as found by the Board of Supervisors such as floods, earthquakes and similar acts of God); (2) are amendments to Uniform Codes as defined in this Agreement regarding the construction, engineering and design standards for private and public improvements to be constructed on the Property; or (3) are necessary to comply with state or federal laws and regulations (whether enacted previous or subsequent to the Effective Date of this Agreement) as provided in Section 3.3.4.3. The Reserved Powers are limited by the authority of the Authority with respect to the siting, construction and operation of public utility above-ground storage facilities to the extent described in the Benefits and Obligations Contract, the JPA Agreement and the Authority Bylaws.

“Setting Date” means, with respect to any repair or improvement work, the date that is 60 days prior to the proposal due date for contractors to perform such work.

“Term” means the period of time for which this Agreement shall be effective in accordance with Section 5.2 hereof.

“Uniform Codes” means those building, electrical, mechanical, plumbing, fire and other similar regulations of a County-wide scope that are based on recommendations of a multi-state professional organization and become applicable throughout the County, such as, but not limited to, the Uniform Building Code, the Uniform Electrical Code, the Uniform Mechanical Code, Uniform Plumbing Code, or the Uniform Fire Code (including those amendments to the promulgated uniform codes that reflect local modification to implement the published recommendations of the multi -state organization and that are applicable County-wide).

2. PURPOSE AND INTENT; BEST MANAGEMENT PRACTICES.

2.1 County Procedures and Actions.

2.1.1 County Planning Commission Action. The County Planning Commission held a duly noticed public hearing on October 1, 2025, and recommended approval of this Agreement on October 1, 2025.

2.1.2 Board of Supervisors Action. The Board of Supervisors on November 4, 2025, after conducting a duly-noticed public hearing, adopted Ordinance No. 847, to become effective on the thirty-first day after publication, approving this Agreement, and authorized the execution of this Agreement.

2.2 State Enabling Legislation. To strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development, the Legislature of the State of California adopted the Development Agreement Act, which authorizes any County to enter into binding development agreements establishing certain development rights in real property with persons having legal or equitable interests in such property. Section 65864 of the Development Agreement Act expressly provides as follows:

The Legislature finds and declares that:

“(a) The lack of certainty in the approval of development projects can result in a waste of resources, escalate the cost of housing and other development to the consumer, and discourage investment in and a commitment to comprehensive planning, which would make maximum efficient utilization of resources at the least economic cost to the public.

(b) Assurance to the applicant for a development project that upon approval of the project, the applicant may proceed with the project in accordance with existing policies, rules and regulations, and subject to conditions of approval will strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic cost of development.”

Notwithstanding the foregoing, to ensure that the County remains responsive and accountable to its residents while pursuing the benefits of development agreements contemplated by the Legislature, the County: (1) accepts restraints on its police powers contained in development agreements only to the extent and for the duration required to achieve the mutual objectives of the parties; and (2) to offset such restraints, seeks public benefits that go beyond those obtained by traditional County controls and conditions imposed on development project applications.

2.3 Purpose of this Agreement.

2.3.1 Public Benefits. This Agreement describes the relationship and mutual obligations of the Parties with regard to the Project and the Property within the County.

2.3.2 Authority Objectives. In accordance with the legislative findings set forth in the Development Agreement Act, and with full recognition of the County's policy

of judicious restraints on its police powers, the Authority wishes to obtain reasonable assurances that the Project may be developed in accordance with the Applicable Rules, Land Use Approvals, and with the terms of this Agreement and subject to the County's Reserved Powers. As provided by Section 3.1.1, the Authority anticipates making capital expenditures or causing capital expenditures to be made in reliance upon this Agreement. In the absence of this Agreement, the Authority would have no assurance that it can complete the Project for the uses and to the intensity of development set forth in this Agreement and the Land Use Approvals. This Agreement, therefore, is necessary to assure the Authority that in accordance with Government Code Section 65866, from and after the date of execution of this Agreement by all parties, the Project will not be (1) reduced or otherwise modified in intensity or use from what is set forth in the Authority's Final certified EIR/EIS, adopted Project and Project construction plans, as may be amended, and the County's Land Use Approvals of the Project, (2) subjected to new rules, regulations, ordinances, or official policies or plans that are not adopted or approved pursuant to the County's Reserved Powers.

2.3.3 Mutual Objectives. Development of the Project in accordance with this Agreement will provide for the orderly development of the Property. Moreover, a development agreement for the Project will eliminate uncertainty in planning for and securing orderly development of the Property, assure attainment of maximum efficient resource utilization within the County at the least economic cost to its citizens, and otherwise achieve the goals and purposes for which the Development Agreement Act was enacted. The Parties believe that such orderly development of the Project will provide public benefits, as described in Section 2.6, to the County under the provisions and conditions of this Agreement. Additionally, although development of the Project in accordance with this Agreement will restrain the County's land use or other relevant police powers, this Agreement provides the County with sufficient reserved powers during the term hereof to remain responsible and accountable to its residents. In exchange for these and other benefits to the County, the Authority will receive assurance that the Project may be developed during the term of this Agreement in accordance with the Applicable Rules, Land Use Approvals, and Reserved Powers, subject to the terms and conditions of this Agreement; that the County will expeditiously process the Land Use Approvals, any Discretionary Actions, any Ministerial Permits and Approvals, and any other approvals or actions required for the Project; and that if requested by the Authority, the County will affirmatively cooperate in supporting the Project, including written notification to State and Federal Agencies that the Project is locally supported by the community.

2.4 Applicability of the Agreement. This Agreement does not: (1) grant density or intensity in excess of that otherwise established in the Land Use Approvals; (2) eliminate future Discretionary Actions relating to the Project if applications requiring such Discretionary Action are initiated and submitted by the Authority or its successors after the Effective Date; (3) guarantee that the Authority will receive any profits from the Project; or (4) in and of itself, amend the County's General Plan. This Agreement has a fixed Term.

2.5 Best Management Practices.

2.5.1 Commitment. To address County's concerns with matters of Project implementation that are addressed in the BMPs adopted by the Authority, the Authority

commits to fully and faithfully implement the Covered BMPs (as defined below) in connection with work occurring within the County. This commitment is limited in certain respects, as expressly set forth herein.

2.5.2 Applicable BMPs. The Parties agree that the BMPs with significant potential to apply to work occurring within Colusa County (“Covered BMPs”) are: BMP 10 (Salvage, Stockpiling, and Replacement of Topsoil and Preparation of a Topsoil Storage and Handling Plan); BMP 15 (Performance of Site-Specific Drainage Evaluations, Design, and Implementation); BMP 16 (Development and Implementation of a Construction Equipment, Truck, and Traffic Management Plan); BMP 22 (Development and Implementation of a Construction Noise Abatement Plan); and BMP 28 (Preparation and Implementation of Fugitive Dust Control Plans); all as may be revised from time to time in accordance with Section 2.5.3 of this Agreement.

Certain other BMPs are expected to be implemented, as appropriate, by terms and conditions included in ministerial County permits issued to the Authority or its contractor(s) and are not specifically designated as “Covered BMPs”. Such BMPs include: BMP 1 (Conformance with Applicable Design Standards and Building Codes); BMP 3 (Completion of Preconstruction Geotechnical Evaluations and Data Reports); and BMP 6 (Decommissioning of Water Wells).

2.5.3 Limitations.

2.5.3.1 Changes to BMPs. The Parties recognize that the Authority retains its legal authority to consider and approve changes to all BMPs, including the Covered BMPs, before and during Project implementation. In connection with contemplated material changes to the Covered BMPs, the Authority will do at least the following:

(i) Provide at least 30 days prior written notice to the County of its intent to amend, rescind, or otherwise modify the BMP. Such notice shall describe the change(s) under consideration and the reasons for considering the change(s);

(ii) Consider in good faith any written comments submitted by the County within the 30-day period;

(iii) If requested by the County within the 30-day period, convene an in-person meeting attended by Authority’s Executive Director, Authority’s Board Chair, or both, to discuss in good faith County questions, concerns, or other matters of interest with respect to the change(s) under consideration prior to taking action thereon; and

(iv) Ensure that the County’s concerns are presented to the Board of Directors prior to any action on the proposed change(s).

2.5.3.2 Landowner Concerns. If a private landowner requests that the Authority refrain from implementing a Covered BMP (in whole or part) on its property, the Authority will notify the County. If the County so requests within a reasonable timeframe (at least seven calendar days after notice unless circumstances require a shorter period), the Authority will confer with the County regarding any concerns or objections. The Parties agree that if a private landowner refuses to provide the Authority with permission or other rights

necessary to implement a Covered BMP (in whole or part) and, after the County and Authority have conferred on the issue or the County has declined to confer on the issue, the Authority cannot implement the Covered BMP as a result, no breach of this Agreement shall occur.

2.5.3.3 Material Change to the Covered BMPs. The County and the Authority will meet and confer prior to the start of construction of the Project to mutually agree, in writing, on what constitutes a material change to the Covered BMPs.

2.5.3.4 Authority. This Agreement does not limit or otherwise modify the Authority's sole authority to revise or rescind all BMPs, including the Covered BMPs. Similarly, this Agreement does not limit or in any way affect the legal remedies available to the County if the Authority revises or rescinds a BMP in a manner that County may contend fails to meet applicable legal requirements, including but not limited to CEQA.

2.6 Community Benefits. On an ongoing basis from the execution of this Agreement through Project construction, the Parties agree to cooperate in good faith to identify potential community benefit measures, programs or projects that could be implemented during Project construction or operation. It is understood that the Authority has formed a Local Community Working Group that represents community members across all areas affected by the Project. It is through this venue that potential community benefit measures, programs, and projects proposed by any parties are to be considered and evaluated. Also, it is understood that the Project is being developed according to the beneficiary pays principle, meaning the party that derives benefit from the Project will pay for such benefit. Further, the Authority agrees to support and implement community benefit actions and create policies and programs that support local workforce training and development consistent with the Construction Workforce Policy and the Maxwell Community Plan.

The Authority agrees to cooperate and identify and implement programs and projects in the Local Area, including those within the jurisdiction of the County Board of Supervisors and within the jurisdiction of cities, schools, and special districts within the County, including within the affected communities within the unincorporated areas of the County, that satisfy the Authority's obligations with respect to air quality under mitigation measures EJ-1 (as stipulated under the Authority's MOU for construction with Certain Local Area County Air Pollution Control Districts) and EJ-2, and GHG-1.1 described in the CEQA approval. The Authority will work with the Local Area to implement these mitigation measures in a manner and in locations that coordinates the Local Area needs' with those of the Project, to the extent feasible.

2.6.1 The Parties recognize and agree a future amendment to this Agreement may be an appropriate means of ensuring the provision of community benefits in connection with the Project. Nothing in this Agreement requires either Party to enter into a development agreement or otherwise limits the Parties' respective authority regarding such matters.

3. AGREEMENT AND ASSURANCES.

3.1 Agreement and Assurance on the Part of the Authority. In consideration for the Authority entering into this Agreement, and as an inducement for the Authority to obligate itself

to carry out the covenants and conditions in this Agreement and effectuate the promises, purposes, and intentions in this Agreement, the County hereby agrees as follows:

3.1.1 Project Development. Subject to compliance with all applicable laws, Land Use Approvals, other governmental approvals, the terms of the Benefits and Obligations Contract and the terms and conditions of this Agreement, the Authority agrees to use commercially reasonable efforts to construct and complete the Project in substantial conformance with the approved design documents.

3.1.2 Agreement for Design, Construction, Operation and Maintenance and Ownership Transfer. The Authority and the County shall negotiate in good faith and endeavor to enter into an agreement for the design, construction and operation and maintenance for any New County Roads and Crossing Structure as described in Exhibit C (Local Roads and Crossing Structures), including, for the avoidance of doubt, the Sites-Ladoga Bridge which is to be constructed as part of the Project and transferred to the County upon completion of the bridge. All agreements between the Parties for such improvements shall be in writing. In addition, this Agreement will address the disposition of existing County property rights for the County roads that are being relocated with the new roads as applicable.

3.1.3 Intentionally Deleted.

3.1.4 Wind-Up Following Termination Prior to Completion. To the extent described in the Benefits and Obligations Contract, in the event that the Benefits and Obligations Contracted is terminated prior to completion of the Project, the Authority shall wind-up the Project in the manner described in Section 11.1 (Termination Prior to Completion of the Project) of the Benefits and Obligations Contract, including by appointing a winding-up agent who will prepare a plan for mitigating or remediating any hazardous or unsafe conditions located on the Project site that are a direct result of the construction of the Project.

3.1.5 Tax Forms. The Authority shall complete and submit appropriate State forms for sales tax revenue required by California Department of Tax and Fee Administration ("CDTFA").

3.1.6 Impact Alleviation Agreements. The Authority shall use its best efforts to enter into impact alleviation agreements ("Impact Alleviation Agreements") with the following parties:

1. Maxwell Unified School District ("School District") regarding concerns expressed by the School District in the areas of 1) removal of houses and parcels from the School District boundaries, 2) possible long term impacts on School District facilities due to changes in school enrollment, 3) additional mitigation needs, 4) economic challenges due to prevailing wage jobs, and 5) any other concerns or issues raised by the School District;
2. Maxwell Fire District regarding concerns expressed by the Maxwell Fire District in relation to increased emergency response demands due to construction related incidents, temporary workforce, recreation activities and population growth;

3. Maxwell Public Utilities District regarding concerns expressed by the Maxwell Public Utilities District in relation to increased demand on water and sewer systems from population increase; and
4. Colusa County Sheriff regarding concerns expressed by the Colusa County Sheriff in relation to service demand increases related to construction and workforce road use, temporary workforce domestic issues, and recreation operations.
5. Maxwell Parks and Recreation District regarding concerns expressed by the Maxwell Parks and Recreation District in relation to possible effects on facilities within their jurisdiction.
6. Colusa County Public Works Department regarding concerns expressed by the Colusa County Public Works Department in relation to facilities within their jurisdiction, not otherwise covered in this Agreement.

3.1.7 Local Hiring. The Authority endeavors to establish a local annual hiring goal (covering the Project Area and the Local Area) for the project construction workforce and such goal shall be memorialized in an Authority adopted Construction Workforce Policy, or similar document. Upon request by the County, the Authority shall report its actual hiring figures to the County on an annual basis.

3.2 Impacts to County Roads and Crossing Structures and New Roads.

3.2.1 Road and Crossing Structure Repairs. At its sole cost and expense, the Authority will restore to as good or better condition all County roads and crossing structures impacted by Project construction, including but not limited to roads and crossing structures applicable to the County that are shown to be repaired in the table "County Roads and Crossing Structures Work Related to Sites Reservoir Project" ("Local Roads and Crossing Structures for Repair") in Exhibit C (Local Roads and Crossing Structures). Such work may include repairs, reconstruction, and/or any other work necessary to meet the "as good or better condition" standard as described in Section 3.2.5 and Exhibit B (Project Specific Information) of this Agreement. Work pursuant to this Section is designed to address the impacts to Local Roads and Crossing Structures for Repair that are attributable to Project construction traffic and the Authority will not be required to address impacts to Local Roads and Crossing Structures for Repair that are attributable to traffic or other factors that are not related to the Project.

3.2.2 Road and Crossing Structure Improvements. At its sole cost and expense, the Authority will improve local roads and crossing structures to County standards described herein, roads and crossing structures applicable to the County that are shown to be improved in the table "County Roads and Crossing Structures Work Related to Sites Reservoir Project" ("Improved Local Roads and Crossing Structures") in Exhibit C (Local Roads and Crossing Structures). Such work may include improvements and repairs, reconstruction, and/or any other work necessary to meet the "as good or better condition" standard for the Improved Local Roads and Crossing Structures upon completion of Project use. Work pursuant to this Section is designed to address the impacts to Improved Local Roadways and Crossing Structures that are attributable to Project construction traffic and the Authority will

not be required to address impacts to Improved Local Roads and Crossing Structures that are attributable to traffic or other factors that are not related to the Project.

3.2.3 New Roads and Crossing Structures. At its sole cost and expense, the Authority will build new roads needed for Project construction, including but not limited to new roads and crossing structures applicable to the County that are shown to be new in the attached table "County Roads Work Related to Sites Reservoir Project ("New Local Roads and Crossing Structures"). The Authority and the County will enter into a separate agreement specifying design and construction requirements, review and inspection rights and obligations and ownership transfer conditions for New Local Roads and Crossing Structures to become applicable County responsibility. Exhibit D is provided as minimum requirements of such agreement.

3.2.4 Permits, Cooperation and Implementation.

3.2.4.1 Without waiving any exemptions under the Government Code for facilities that are indispensable to the production, generation, storage, treatment, or transmission of water and exempt from local building and zoning ordinances, the Authority will apply for, obtain, and maintain, or cause to be applied for, obtained and maintained, all permits and approvals required for the Project listed in Exhibit A (Permit Requirement Matrix). The County shall cooperate with the Authority in its endeavors to obtain such permits and approvals and shall, at the request of the Authority, attempt with due diligence and in good faith to enter into binding agreements with any permitting entity having jurisdiction over any aspect of the Project to ensure the availability and approvals of such permits and all other approvals, if any. To the extent allowed by law, the Authority shall be a party to any such agreement, or a third party beneficiary thereof, entitled to enforce for its own benefit and on behalf of the County, or in its own name, the rights of the County or the Authority thereunder or the duties and obligations of the parties thereunder. The Authority shall reimburse the County for Covered Expenses incurred in connection with seeking and entering into any such agreement(s), provided that the Authority has requested such agreement(s).

3.2.4.2 Without limiting the general obligations in Section 3.2.4.1, the Authority will obtain an encroachment permit from the County prior to construction-related traffic on County roads. Each such permit will include provisions addressing County review of plans and specifications for Authority's use of Local Roads and Crossing Structures for Repair, Improved Local Roads and Crossing Structures and New Local Roads and Crossing Structures (together "Local Roads and Crossing Structures"); review and approval of placement of signage, traffic control, and construction schedule, which approval shall not be unreasonably withheld; and inspections of all work occurring within a County right of way. All Covered Expenses shall be reimbursed by Authority. The Authority shall, in a timely manner, provide the County with all documents, plans, fees, and other information necessary for the County to carry out its processing obligations pursuant to this Agreement.

3.2.4.3 Upon satisfactory completion by the Authority of all required preliminary actions and payment of appropriate Processing Fees, including any fee for processing this Agreement, the County shall:

1. commence and diligently and expeditiously process all required steps necessary for the implementation of this Agreement and any general plan update or zoning amendments necessary for development of the Project in accordance with the terms, provisions and conditions of this Agreement; and
2. to the extent County is reasonably able, cooperate with the Authority and provide or cause to be provided such limited information, documentation and administrative assistance as the Authority may reasonably request in connection with the Project to obtain the required permits and approvals for construction, operation and maintenance of the Project. Neither County nor any County Agency is obligated to (i) exercise its legal rights in order to avoid or eliminate the requirement to obtain any required permits or approvals, or (ii) grant permits and approvals for which it is the authorizing entity. County will apply its usual and customary procedures and criteria in considering applications from the Authority for such permits and approvals; and
3. Provided the Authority reasonably complies with all Countywide standard procedures for processing applications for the Land Use Approvals or other Discretionary Actions, the County shall expedite the processing of Land Use Approvals and Discretionary Actions to the maximum extent possible.

3.2.4.4 Cooperation. In the event of any opposition to the Project by a third party, including, but not limited to, governmental entity(ies) or official(s), the County hereby agrees, if requested by the Authority, to affirmatively cooperate in supporting the Project. Such cooperation does not include initiating any legal or administrative proceeding, intervening in such, or becoming a party to such proceedings.

3.2.4.5 Cooperation In the Event of Legal Challenge. In the event of any legal action instituted by a third party private or governmental entity or official challenging the validity of any term, provision or condition of this Agreement, the Parties hereby agree to affirmatively cooperate in defending against such challenge, but such cooperation shall not include bringing an action in the name of the County or sharing the expense of defense of any such legal action by the County.

3.2.4.6 Defense and Indemnification. The Authority agrees as a condition of receiving any land use approvals, entitlements, discretionary or ministerial permits (approvals) from the County related to the Project to indemnify and defend the County, at the Authority's sole cost and expense, from any claim, action, or proceeding brought against the County because of, or resulting from, the issuance of such approvals. The Authority will reimburse the County for any damages, court costs, and attorney fees which the County may be required by the court to pay as a result of such claim, action, or proceeding. The County shall promptly notify the Authority of any such claim, action, or proceeding and will cooperate in its defense. The County may also, at its sole discretion, participate directly in the defense of any such claim, action, or proceeding but such participation shall not relieve the Authority of its obligations under this condition.

3.2.5 Design and Improvement Standards. Standards for the performance of all road design covering repair and improvement on Local Roads and Crossing Structures shall meet or exceed the improvement standards listed in Exhibit B (Project Specific

Information) in effect as of the applicable Setting Date, unless the Parties later agree otherwise (including, but not limited to, in a development agreement that provides for application of then-existing improvement standards).

The County acknowledges the Authority's desire to have consistent road repair, improvement and new work standards across all affected jurisdictions (including Colusa and Glenn counties) and will collaborate with Authority to resolve any disputes concerning applicable standards.

3.2.6 Condition Assessment. Within 30 days prior to the commencement of Project construction work that is expected to impact Local Roads and Crossing Structures, the Authority will perform a preconstruction road condition survey of the Local Roads and Crossing Structures (including any County roads not specifically listed herein) anticipated to be affected by Project-related construction traffic and the County will calculate an estimated loss of road life by way of an Equivalent Single Axle Load ("ESAL") analysis. The preconstruction survey shall include video, photographs and other evidence sufficient to document the then-current condition of the affected Local Road and Crossing Structure segments. If construction is phased, the Authority will conduct or procure a further survey at the completion of each phase and at any additional times as may be required upon request, in County's reasonable discretion, to document the deterioration of road conditions during Project construction in anticipation of repairs pursuant to this Agreement. Consideration shall be given to other non-Project related factors that may cause roadway degradation in determining the Authority's responsibility for Local Road and Crossing Structure repairs. The Authority agrees to pay all costs reasonably incurred by the County in reviewing such surveys as set out in Section 3.2.8.

The Parties may elect for the County, rather than the Authority or its contractor, to perform the surveys required by this Section, subject to the Authority's reimbursement of Covered Expenses reasonably incurred.

3.2.7 Corrective Action. Unless the County and the Authority otherwise agree, the Authority shall prepare a corrective action plan for all project construction-related road damage pursuant to the "Condition Assessment" provision, above. Upon County approval thereof, which approval shall not be unreasonably withheld, unless the County and the Authority agree to defer implementation until Project completion, the Authority shall implement the plan at its sole cost and expense in a time and manner to be agreed upon with the County.

The Authority shall notify the County in writing (e-mail notice to the Public Works Director or designee is sufficient) at least 24 hours, or such longer period specified in the applicable permit, prior to commencing any corrective work. The Authority shall use commercially reasonable efforts to implement the plan as approved by the County, provided that the Authority shall be permitted to adjust the corrective action plan if strict adherence to the plan would result in unreasonable costs or schedule issues, and such adjustments shall not be considered a breach of this Agreement. In the event that the Authority determines an adjustment to an approved corrective action plan is required, the Authority shall notify the County in writing of such adjustment as soon as reasonably practicable.

Alternatively, if the Parties agree, rather than performing some or all of the corrective work itself, the Authority may provide reimbursement to the County for the County's Covered Expenses in exchange for the County's assumption of the obligation to perform such work.

The Parties acknowledge that the Project is expected to be constructed over 7 to 8 years' total time from start to end of construction and in some, but not all, instances work in specific locations may be intermittent with significant time passing between start of work and end of work. The actual use and damage of roads for the Project will vary and there may be times when Project damage is incurred of sufficient magnitude requiring interim maintenance to resume suitable road conditions for routine non-Project related traffic. The Project team shall closely coordinate with the County during the entire project duration to ensure the County's needs for suitable, well-maintained roads to be in service is achieved at all times over the course of the entire Project. The Authority and the County agree that the Parties may find it mutually beneficial to pool resources in the delivery of intermittent repair of roads that are damaged because of Project activity.

3.2.8 Reimbursement Procedure. Prior to incurring Covered Expenses pursuant to this Agreement, the Authority and the County shall agree on reasonable methods for recording Covered Expenses (including, for example, staff and management timekeeping policies and procedures).

3.2.9 The County shall ensure that staff labor costs and task descriptions are recorded in reasonable detail and records kept in accordance with its records retention policies, or for any longer period required by law (including the Authority's Records Management Policy), or outside Project funding sources.

3.2.10 The County shall submit to the Authority an invoice on account of all amounts then payable by the Authority to the County on a monthly basis, no later than the tenth day following the last day of the month being invoiced, unless some other period is agreed to by the Parties in writing, until the expiration or earlier termination of this Agreement.

3.2.11 Each invoice shall include any supporting documentation reasonably necessary to enable the Authority to fully and accurately determine (without needing to refer to any other documentation or information) the amounts payable by the Authority to the County under this Agreement, including any such documentation or information, which the Authority may by written notice from time to time require the County to set out or attach, whether in relation to a specific invoice or all invoices generally.

3.2.12 Within 30 days after the Authority's receipt of a complete invoice that satisfies all the requirements set forth above, the Authority shall approve and pay such invoice or dispute all or a portion of such invoice. The Authority shall provide the County the reason(s) for any disputed portions of such invoice and withhold the disputed amount, while remitting timely payment for the undisputed portions of the subject invoice. The terms and conditions of Section 5.5 shall apply to any such dispute.

3.3 Agreement and Assurances on the part of the County. In consideration for the Authority entering into this Agreement, and as an inducement for the Authority to obligate itself

to carry out the covenants and conditions in this Agreement and effectuate the promises, purposes, and intentions in this Agreement, the County agrees as follows:

3.3.1 Entitlement to Develop. Authority has the vested right to develop the Project subject to the terms and conditions of this Agreement, the Applicable Rules, Land Use Approvals, the Final EIR/EIS and the Reserved Powers. The Authority's vested rights under this Agreement shall include, without limitation, the right to construct, operate and maintain the Project, and mitigate environmental effects subject to the Applicable Rules, Land Use Approvals, the Final EIR/EIS, the Reserved Powers and the Benefits and Obligations Contract.

3.3.2 Consistency in Applicable Rules. Based upon all information made available to the County up to or concurrently with the execution of this Agreement, and subject to approval of the Land Use Approvals, the County finds and certifies that no Applicable Rules prohibit or prevent the full completion and operation of the Project as described in the Final EIR/EIS.

3.3.3 No Warranty of Completion. By entering into this Agreement, the Authority does not warrant that it will construct and achieve completion of the Project, and failure to do so shall not be considered a default under this Agreement.

3.3.4 Changes in Applicable Rules.

3.3.4.1 Non-application of Changes in Applicable Rules. Any change in, or addition to, the Applicable Rules, including, without limitation, any change in any applicable general or specific plan, zoning or building regulation, adopted or becoming effective after the execution of this Agreement by all Parties, including, without limitation, any such change by means of ordinance, County charter amendment, initiative, referendum, resolution, motion, policy, order, or moratorium, initiated or instituted for any reason whatsoever and adopted by the County, the Board of Supervisors, the Planning Commission, or any other Board, Commission, Department, or Agency of the County, or any officer or employee thereof, or by the electorate, as the case may be, which would, absent this Agreement, otherwise be applicable to the Project and which would conflict in any way with the Applicable Rules, Land Use Approvals, or the Final EIR/EIS shall not be applied to the Project unless such changes represent an exercise of the County's Reserved Powers or are otherwise agreed to in this Agreement. Notwithstanding the foregoing, Authority may, in its sole discretion, consent in writing to the application to the Project of any change in the Applicable Rules.

3.3.4.2 Changes in Uniform Codes. Notwithstanding any provision of this Agreement to the contrary including Section 3.2.5, development of the Project shall be subject to changes that may occur from time to time in the Uniform Codes. The design and construction requirements for an individual action or construction contract under the Project shall be governed by the Uniform Code then in effect at the Setting Date.

3.3.4.3 Changes Mandated by Federal or State Law. This Agreement shall not preclude the application to the Project of changes in, or additions to, the Applicable Rules,

including rules, regulations, ordinances, and official policies, to the extent that such changes or additions are mandated to be applied to developments such as this Project by state or federal laws or regulations, pursuant to the Reserved Powers. In the event state or federal laws or regulations prevent or preclude compliance with one or more provisions of this Agreement, such provisions shall be modified or suspended as may be necessary to comply with such state or federal laws or regulations.

3.3.5 Subsequent Development Review. The County shall not require the Authority to obtain any approvals or permits for the development of the Project in accordance with this Agreement other than those permits or approvals that are required by the Applicable Rules, the Reserved Powers, the Land Use Approvals and/or Exhibit A (Permit Requirement Matrix), and subject to the siting and operational authority of the California Public Utilities Commission.

3.3.6 Intentionally Deleted.

3.3.7 Effective Development Standards. The County agrees that it is bound to the uses, intensities of use, and densities on this Property that are permitted by this Agreement and the Land Use Approvals, insofar as this Agreement and the Land Use Approvals so provide or as otherwise set forth in the Applicable Rules or the Reserved Powers. The County hereby agrees that it will not unreasonably withhold or unreasonably condition any Land Use Approval or other Discretionary Action that must be issued by the County in order for construction, operations and maintenance of the Project to proceed, provided that the Authority reasonably and satisfactorily complies with all countywide standard procedures for processing applications for the Land Use Approval or other Discretionary Action.

3.3.8 Use of Property. The County agrees that the Authority may use the Property for construction of the Project, and for a setup and staging area.

3.3.9 Moratoria or Interim Control Ordinances. In the event any ordinance, resolution or policy is enacted by action of the County that relates directly or indirectly to the Project or to the rate, amount, timing, sequencing, or phasing of the development or construction of the Project on all or any part of the Property, County agrees that such ordinance, resolution, or policy shall not apply to the Property or this Agreement, unless such changes are adopted pursuant to the Reserved Powers or other applicable provisions of this Agreement and are not otherwise superseded by the siting and operational authority of the Final approved EIR/EIS unless agreed to in writing by the Authority.

3.3.10 Infrastructure Financing. If Authority undertakes infrastructure financing, such as Mello-Roos community facilities districts, the County will cooperate fully in such undertaking and will process any related applications as expeditiously as possible.

3.3.11 Impact Fees. Impact Fees imposed by the County with respect to the Project shall be tied to a specific service or service capacity within the County, in existence as of the approval of this Agreement by the Board of Supervisors, that is directly impacted by the Project and not already covered in this Agreement. Impact Fees shall be calculated at the

time of the County's issuance of the relevant permit and assessed based on values existing at that time. Impact Fees imposed by the County on the Project may not be increased in amount. This Agreement shall not limit any impact fees, linkage fees, exactions, assessments, fair share charges, or other similar fees or charges imposed by governmental entities not a party to this Agreement and which the County is required to collect or assess pursuant to applicable law (e.g., school district impact fees pursuant to Government Code Section 65995).

3.3.12 Processing Fees. The Authority shall pay all Processing Fees. Processing Fees shall be limited to Processing Fees in effect on the Effective Date. The Authority shall pay such Processing Fees, on a pass through basis, without markup, within 30 days of Authority receiving a properly submitted and complete invoice from the County and otherwise set out in Section 3.2.8.

3.3.13 Timeframes and Staffing for Processing and Review; Consultants. The County agrees that expeditious processing of the Land Use Approvals, any Discretionary Actions, any Ministerial Permits and Approvals, and any other approvals or actions which may be required for the Project are critical to the implementation of the Project. In recognition of the importance of timely processing and review of the Land Use Approvals, any Discretionary Actions, and any Ministerial Permits and Approvals, the County agrees to work and cooperate with the Authority to establish time frames for processing and reviewing requests for such approvals and to comply with timeframes established to the greatest extent possible. Furthermore, the County shall expedite all requests by the Authority for any such approvals requested for the Project to the greatest extent possible. To facilitate the expeditious review of subsequent approvals, the County may engage a qualified third party consultant or consultants (e.g., civil engineers, electrical engineers, building plans permit examiner, plan check inspector, surveyors, land use/development review professionals, or similar professionals) (each, a "Consultant"), to assist the County in its review of subsequent approvals, provided, that the County shall retain its independent authority to issue any such subsequent approval. Consultants may provide the County with technical assistance required to review subsequent approvals, or assistance required to expedite the processing of subsequent approvals. The County will notify the Authority before engaging any Consultant for which it will seek reimbursement from Authority and provide the Authority with the Consultant's proposed scope of work and cost estimate, which will be subject to the Authority's review and approval, along with a proposed form of reimbursement agreement consistent with the terms of this Section 3.3.13. The Authority acknowledges and agrees that declining the use of a Consultant will mean that the subject subsequent approval will not be subject to expedited review and processing; provided, however, that such subsequent approval will remain subject to applicable law concerning permit review and approval and the County's normal permit review and approval process and timelines.

3.3.14 Payment in Lieu of Taxes. The Authority agrees that it shall pay to the County annual payments in lieu of taxes ("PILT") for properties under the Authority's ownership within the County shown in Exhibit B, plus any Authority owned lands purchased for the purpose of mitigating environmental effects, in an amount calculated and verified by the County's Auditor-Controller not to exceed the amount of property taxes without applying the Williamson Act that County would have received based on assessment of the Project property prior to the sale of the Project property to the Authority had the Project been subject

to County taxes based on the overall assessed value increase determined in accordance with applicable law (including transfer tax and recording fees arising from or associated with such properties). For purposes of illustration, the County has calculated the estimated PILT amounts payable to the County with respect to the properties under the Authority's ownership within the County, as set forth in Exhibit B (Project Specific Information). Upon acquiring fee title for each property within the County, the Authority agrees to pay directly to County the PILT amounts for each property within 30 days of the Authority receiving a properly submitted and complete invoice for the foregone property tax from the County Auditor-Controller and otherwise in accordance with Section 3.2.8. Charges for County services included in the PILT amounts shall only include services paid from general ad valorem property taxes and shall not include fees and services billed separately to the Authority. An example of the calculation to be made for PILT is set forth in Exhibit B.

The County agrees to allocate the PILT amounts paid by the Authority annually among the entities and purposes in amounts and proportions that would otherwise be received by these entities and purposes.

3.3.15 Ownership of Project; Prioritization of Local Agencies. The Benefits and Obligations Contract describes the ownership of Capacity Interest in the Project and the method for transferring such Capacity Interest, including the potential sale, transfer or assignment of Capacity Interest by the Authority for the account of the owner of such Capacity Interest following a default by such owner, and to the extent that the Authority has not previously authorized a prioritization in acquiring such Capacity Interest, including through any right of first offer described in the Benefits and Obligations Contract County Agencies which are currently on a wait list to acquire Capacity Interest shall have a right of first offer to assume all or a portion of the Capacity Interest being disposed by the Authority.

3.3.16 Sales Tax / Office. To the full extent allowed by law, the Authority will require the construction contractors to participate in the jobsite sub-permit reporting through the CDTFa to maximize local taxes collected on behalf of the counties for work on the Project occurring within each county. To the full extent allowed by law, the Authority will require that all construction contractors providing services, labor and materials for the Project under contracts in excess of \$1M, (a) obtain all necessary sales/use tax jobsite sub-permit(s) from CDTFa; (b) comply with all associated reporting requirements; and (c) otherwise designate a location within the Project Area as the place of use of materials and/or sale of equipment, fixtures, and all other goods for which sales/use taxes are payable used in the construction of the Project.

3.3.17 Memorandum of Understanding. The Parties acknowledge that the Parties have entered into that certain Memorandum of Understanding, on or about November 22, 2021, pursuant to which the Authority and the County have reached agreement on terms and conditions regarding the County's area of origin water rights claims to Funks Creek and Stone Corral Creek within the County and related matters.

3.3.18 Impact Alleviation on County Administrative Services. In consideration of the administrative functions within the County that may be materially

affected by the implementation of the terms of this Agreement, the Authority is committing to provide funding as follows:

- a. For a duration of seven years starting with the initiation of the first construction contract by the Authority entered into after the start of Phase 3, the Authority shall make an annual lump sum payment recognized as a contribution to the County's efforts related to this agreement in the areas of grants assistance, and for County Financial Analyst services. County agrees to demonstrate that such funds shall be used solely for these purposes and with at least 80% of funds each year being applied to grants assistance. Should the County fail to demonstrate these conditions are met, the Authority reserves the right to withhold future payments until County is able to meet the conditions. The parties agree that the primary use of the grants assistance sums will be for Project and Maxwell Community Plan Implementation related activities and any of grants assistance sums towards County-wide activities are secondary. The Authority shall make payments in these amount over each of the seven years:

First three years – \$120,000/year

Year Four - \$96,000

Year Five - \$72,000

Year Six - \$48,000

Year Seven - \$24,000

3.3.19 USDA Rural Small Community Program Loan (up to \$450 million).

It is acknowledged that the County assisted in securing this crucial financing mechanism serving to provide a means for County agricultural interests to affordably participate in the Sites Project. In consideration of this effort, the Authority is willing to further explore the assignment of the loan terms and conditions and directly and specifically to Colusa County interests that i) are participating in the Project and ii) affirmatively express their desire to be recipients of such assignment. The Authority and the participating Colusa County interests will determine mutually agreed upon terms for the assignment of the loan, if pursued and allowed by USDA, provided that upon such assignment, the Authority shall no longer have any rights or obligations under such loan.

3.3.20 Maxwell Gateway Park Design. The Authority agrees to procure at its own cost and as a service to the County and/or Maxwell Park and Recreation District, the 100% design of up to a 3 acres gateway entry park conceptually described in the Adopted Maxwell Community Plan. Such design shall occur concurrent with the design of the reservoir recreation facilities and shall be consistent in character and feel to the reservoir recreation elements to create a connectedness between the facilities and encourage those that use the park to also extend their local visit to include the reservoir facilities.

4. DEFAULT PROVISIONS.

4.1 Default By the Authority.

4.1.1 Default. In the event the Authority does not perform its obligations under this Agreement in a timely manner, the County shall have all rights and remedies provided by this Agreement, which shall include compelling the specific performance of the obligations of the Authority under this Agreement, or modification or termination of this Agreement, provided that the County has first complied with the procedure in Section 4.1 hereof.

4.1.2 Notice of Default. The County shall first submit to the Authority a written notice of default stating with specificity those obligations specified in this agreement that have not been performed. Upon receipt of the notice of default, the Authority shall promptly commence to cure the identified default(s) at the earliest reasonable time after receipt of the notice of default and shall complete the cure of such default(s) not later than 120 days after receipt of the notice of default, or such longer period as is reasonably necessary to remedy such default (s), provided that the Authority shall continuously and diligently pursue such remedy at all times until such default(s) is cured.

4.1.3 Failure to Cure Default Procedure. If after the cure period has elapsed, the Director of Planning finds and determines that the Authority, or its successors, transferees, and/or assignees, as the case may be, remains in default and that the County intends to terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be, the Director of Planning shall make a report to the Board of Supervisors and then set a public hearing before the Supervisors in accordance with the notice and hearing requirements of Government Code Sections 65567 and 65868.

4.1.4 Action by Board of Supervisors. The Board of Supervisors shall act upon the report of the Planning Director within 45 days after the Planning Director has made a report to the Board of Supervisors, or within such additional period as may be agreed upon by the Authority and the Board of Supervisors. The failure of the Board of Supervisors to act within 45 days shall be deemed to be a determination that the Authority is not in default of this Agreement.

4.1.5 Dispute Resolution. In the case of a dispute as to whether the Authority has cured the default, the Parties shall submit the matter to dispute resolution pursuant to Section 5.5 of this Agreement. The County shall commence dispute resolution within 30 days of the Board of Supervisors making a final determination that the Authority is in default.

4.1.6 Termination or Modification of Agreement. The County may terminate or modify this Agreement, or those transferred or assigned rights and obligations, as the case may be, after a final determination pursuant to Section 5.5 of this Agreement that the Authority is in default. There shall be no modifications of this Agreement unless the Board of Supervisors acts pursuant to Government Code Sections 65867.5 and 65865.

4.2 Default By The County.

4.2.1 Default. In the event the County does not accept applications for, process, or render a decision on necessary development permits, entitlements, or other land use or building approvals for the Project, including the Land Use Approvals, Discretionary Actions and Ministerial Permits and Approvals, as provided in this Agreement and upon compliance with the requirements thereof, or as otherwise agreed to by the Parties, or the County otherwise defaults under the provisions of this Agreement, the Authority shall have all rights and remedies provided herein or by applicable law, which shall include compelling the specific performance of the County's obligations under this Agreement.

4.2.2 Notice of Default. The Authority shall first submit to the County a written notice of default stating with specificity those obligations that have not been performed. Upon receipt of the notice of default, the County shall promptly commence to cure the identified default(s) at the earliest reasonable time after receipt of the notice of default and shall complete the cure of such default(s) not later than 120 days after receipt of the notice of default, or such longer period as is reasonably necessary to remedy such default(s), provided that the County shall continuously and diligently pursue such remedy at all times until such default(s) is cured. In the case of a dispute as to whether the County has cured the default, the Parties shall submit the matter to dispute resolution pursuant to Section 5.5 of this Agreement.

4.2.3 Termination or Modification of Agreement. The Authority may terminate or modify this Agreement after a final determination pursuant to Section 5.5 of this Agreement that the County has failed to cure its default.

4.3 No Monetary Damages. It is acknowledged by the Parties that neither the County nor the Authority would have entered into this Agreement if it were liable in monetary damages under or with respect to this Agreement or the application thereof. Therefore, the Parties agree that the Parties shall not be liable in monetary damages, and the Parties covenant not to sue for or claim any monetary damages for the breach of any provision of this Agreement.

5. GENERAL PROVISIONS.

5.1 Effective Date. This Agreement shall be effective upon the thirty-first day after the Board of Supervisors, after conducting a duly-noticed public hearing, adopts an ordinance approving and authorizing this Agreement, or as otherwise provided by California law.

5.2 Term.

The Term of this Agreement shall commence on the Effective Date and shall extend to the earlier of (i) 20 years or (ii) the earlier termination in accordance with the terms of this Agreement, except with respect to (1) the Authority's obligation to make the PILT in accordance with Section 3.3.14 of this Agreement, which obligation of the Authority shall continue until the Authority has made the last such PILT as described in Exhibit B (Project Specific Information), unless said Term is otherwise terminated, modified, or extended in writing by circumstances set forth in this Agreement or by mutual consent of the Parties hereto and (2) the Authority's obligations to wind-up the Project as described in Section 3.1.4 of this Agreement. Prior to the expiration of the Term,

the Parties may by mutual agreement extend the Term for an additional 20 years. Following the expiration of the Term, this Agreement shall terminate and be of no further force or effect; provided, however, that this termination shall not affect any right or duty arising from entitlements or approvals granted for the Project, including the Land Use Approvals on the Property, approved concurrently with, or subsequent to, the date this Agreement is executed by all Parties. The Term of this Agreement shall automatically be extended for the period of time of any actual delay resulting from any enactments pursuant to the Reserved Powers or moratoria, or from legal actions or appeals that enjoin performance under this Agreement or act to delay or stay performance under this Agreement (other than bankruptcy or similar procedures), or from litigation relating to the Land Use Approvals.

5.2.1 In the event that the Benefits and Obligations Contract is terminated prior to the expiration of this Agreement, the Authority may terminate this Agreement in whole or in part by notice to the County specifying the extent of termination and its effective date.

5.3 Enforced Delay; Extension of Time of Performance. In addition to specific provisions of this Agreement, whenever a period of time, including a reasonable period of time, is designated within which either Party is required to do or complete any act, matter, or thing, the time for the doing or completion thereof shall be extended by a period of time equal to the number of days during which such Party is actually prevented from, or is unreasonably interfered with, the doing or completion of such act, matter, or thing because of causes beyond the reasonable control of the Party to be excused, including, but not limited to: war; insurrection; riots; floods; earthquakes; fires; casualties; acts of God; litigation and administrative proceedings against the Project (not including any administrative proceedings contemplated by this Agreement in the normal course of affairs); any approval required by the County (not including any period of time normally expected for the processing of such approvals in the ordinary course of affairs); restrictions imposed or mandated by other governmental entities; enactment of conflicting state or federal laws or regulations; judicial decisions; the exercise of the County's Reserved Powers; or similar bases for excused performance that is not within the reasonable control of the Party to be excused (financial inability expected). This Section shall not be applicable to any proceedings with respect to bankruptcy or receivership initiated by or on behalf of the Authority or, if not dismissed within 90 days, by any third parties against the Authority. If written notice of such delay is given to either Party within 30 days of the commencement of such delay, an extension of time for such cause will be granted in writing for the period of the enforced delay, or longer as may be mutually agreed upon.

5.4 CEQA Compliance. This Agreement anticipates a variety of later activities that may result in "projects" within the meaning of CEQA. As of the date of this Agreement, however, no such projects have been identified, explored, formulated, or proposed in any level of meaningful detail. For all of these reasons, environmental review of such projects is thus premature and not required by CEQA. The Parties shall conduct all appropriate environmental review, if necessary, at the time when such review is required, and before the approval or implementation of any project that may result from the activities anticipated in this Agreement. Responsibility for performing

environmental review, including which entity will serve as the “lead agency,” will be determined at the appropriate time and in the legally required manner.

5.5 Dispute Resolution. Disputes arising under this Agreement will be resolved, whenever possible, through the process of meeting and conferring in good faith or mediation. To that end, in the event of a dispute as to compliance with any of the provisions, terms and conditions of this Agreement, the Parties agree as follows:

5.5.1 Informal Dispute Resolution Before Mediation.

5.5.1.1 The Parties agree to undertake good faith efforts to resolve any dispute arising in connection with this Agreement within 60 days after the date that notice of such dispute is provided in writing prior to resorting to formal means of dispute resolution.

5.5.1.2 If any dispute is not capable of resolution by and among the representatives of the County and the Authority authorized to administer this Agreement, the authorized representative of the County and the Authority’s board chair or his/her authorized representative (who shall be the Executive Director of the Authority or a member of the Authority board) shall meet and confer in an effort to resolve any such dispute.

5.5.1.3 If such efforts between the Parties’ designees do not resolve the dispute within 30 days after their commencement, the County and the Authority shall have such other remedies available to them as are provided for in this Agreement or as otherwise exist at law or in equity.

5.5.1.4 No other means of dispute resolution, including mediation, arbitration and litigation, shall be available to the Parties unless they have exhausted the process provided for in this Section 5.5.1.

5.5.2 Mediation.

5.5.2.1 If a dispute arises among the Parties relating to or arising from a Party’s obligations under this Agreement that cannot be resolved through informal discussions and meetings as described in Section 5.5.1 of this Agreement, the Parties shall be required to first endeavor to settle the dispute in an amicable manner, using mandatory non-binding mediation under the rules of JAMS, American Arbitration Association, or any other neutral mediation organization agreed upon by the Parties before having recourse in a court of law. Mediation shall be commenced by sending a notice of demand for mediation to the other Party.

5.5.2.2 A single mediator that is acceptable to both Parties shall be used to mediate the dispute. The mediator will be knowledgeable in the subject matter of this Agreement, if possible, and chosen from lists furnished by JAMS, AAA, or any other agreed-upon mediator.

5.5.2.3 The expenses of witnesses for either side shall be paid by the Party producing such witnesses. All mediation costs, including required travel and other expenses of the mediator, and the cost of any proofs or expert advice produced at the direct request of

the mediator, shall be equally shared by the Parties to the dispute unless otherwise directed by the mediator.

5.5.3 Conduct of Mediation.

5.5.3.1 Mediation will be conducted in an informal manner. Discovery shall not be allowed. The discussions, statements, writings and admissions and any offers to compromise during the proceedings will be confidential to the proceedings (pursuant to California Evidence Code §§ 1115-1128; 1152) and will not be used for any other purpose unless otherwise agreed by the Parties in writing. The Parties may agree to exchange any information they deem necessary.

5.5.3.2 The Parties shall have representatives attend the mediation who are authorized to settle the dispute, though a recommendation of settlement may be subject to the subsequent approval of each Party's board or legislative body. The parties may have attorneys, witnesses or experts present.

5.5.3.3 Any resultant agreements from mediation shall be documented in writing. The results of the mediation shall not be final or binding unless otherwise agreed to in writing by the Parties. Mediators shall not be subject to any subpoena or liability and their actions shall not be subject to discovery.

5.5.3.4 Nothing in this Section 5.5 shall relieve the Parties from performing their obligations under this Agreement. The Parties shall be required to comply with this Agreement, including the performance of all disputed activity and disputed payments, pending the resolution of any dispute under this Agreement.

5.5.3.5 Any offers to compromise before or after mediation proceedings will not be used to prove a Party's liability for loss or damage unless otherwise agreed by the Parties in writing (pursuant to California Evidence Code §1152).

5.6 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

5.7 Amendments. This Agreement may be amended from time to time by mutual consent in writing of the Parties in accordance with Government Code Section 65868.

5.8 Assignment. The rights and obligations of the Authority under this Agreement may not be transferred or assigned in whole or in part without the consent of the County, which shall not be unreasonably withheld, conditioned, or delayed, and upon such assignment the assignor shall be released from the obligations so assigned. The failure of any successor-in-interest to perform the obligations assigned to it may result, at the County's option, in a declaration that this Agreement has been breached with regards to that specific successor-in-interest, and an election to terminate this Agreement as provided for in Section 4.2.3 hereof, as it relates to that successor-in-interest's holding.

5.9 Covenants. The provisions of this Agreement shall constitute covenants that shall run with the land comprising the Property for the benefit thereof, and the burdens and benefits

hereof shall bind and inure to the benefit of all assignees, transfers, and successors to the Parties hereto during the Term of this Agreement.

5.10 Relationship of the Parties. It is understood and agreed by the Parties that the contractual relationship created between the Parties hereunder is that the Authority is an independent contractor and not an agent of the County. Further, the County and the Authority hereby renounce the existence of any form of joint venture or partnership between them and agree that nothing herein or in any document executed in connection herewith shall be construed as making the County and the Authority joint venturers or partners.

5.11 Notices. Any notice or communication required under this Agreement between the County or the Authority must be in writing and shall be given either personally or by registered or certified mail, return receipt requested. If given by registered or certified mail, the same shall be deemed to have been given and received on the first occur of (i) actual receipt by any of the addresses designated below as the party to whom notices are to be sent, or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered, a notice shall be deemed to have been given when delivered to the party to whom it is addressed. Any party hereto may at any time, by giving 10 days written notice to the other party hereto, designate any other address in substitution of the address, or any additional address, to which such notice or communication shall be given. Such notices or communication shall be given to the parties at their addresses set forth below:

If to the County:

County of Colusa
546 Jay Street, Suite 108
Colusa, CA 95932
ATTN: County Administrative
Officer

with copies to:

County of Colusa
1213 Market Street
Colusa, CA 95932
ATTN: Community Development
Director

If to the Authority:

Sites Project Authority
P.O. Box 517
122 Old Highway 99 West
Maxwell, CA 95955
ATTN: Executive Director

with copies to:

and to:

jbrown@sitesproject.org

5.12 Recordation. As provided in Government Code Section 65868.5, the Clerk of the County shall record a copy of this Agreement with the Recorder of the County no later than 10 days after the County enters into the Agreement. Upon expiration of the Term of this Agreement, the Clerk of the County shall record a written instrument providing notice of the termination of this Agreement. The Authority shall provide the Clerk of the County with the fees for such recordings prior to or at the time of such recordings if such fees are assessable.

5.13 Constructive Notice and Acceptance. Every person who now or hereafter owns or acquires any right, title, interest in or to any portion of the Property, is and shall be conclusively deemed to have consented and agreed to every term, provision and condition contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Property.

5.14 Successors and Assigns. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the Parties, any subsequent owner of all or any portion of the Property, and their respective successors and assignees during the Term of this Agreement.

5.15 Severability. If any provisions, conditions, or covenants of this Agreement, or the application thereof to any circumstances of either Party, shall be held invalid or unenforceable, the remainder of this Agreement or the application of such provision, condition, or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

5.16 Time of the Essence. Time is of the essence for each provision of this Agreement of which time is an element.

5.17 Waiver. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of each Party and refers expressly to this Section. No waiver of any right or remedy with respect to any occurrence or event shall be deemed a waiver of any right or remedy with respect to any other occurrence or event.

5.18 No Third Party Beneficiaries. The only Parties to this Agreement are the County and the Authority and their successors-in-interest. There are no third party beneficiaries and this Agreement is not intended and shall not be construed to benefit or be enforceable by any other person or entity whatsoever.

5.19 Entire Agreement. This Agreement sets forth and contains the entire understanding and agreement of the Parties, and there are no oral or written representations, understandings, or ancillary covenants, undertakings or agreements that are not contained or expressly referred to herein (or any such representations, understandings, or ancillary covenants, undertakings or agreements are integrated in this Agreement) and no testimony or evidence of any such representations, understandings, or covenants shall be admissible in any proceedings of any kind or nature to interpret or determine the terms, provisions or conditions of this Agreement.

5.20 Legal Advice, Neutral Interpretation, Headings, Table of Contents, and Index. Each Party acknowledges that it has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions hereof. The provisions of this Agreement shall be construed as to their fair meaning, and not for or against any Party based upon any attribution to such Party as the source of the language in question. The headings, table of contents, and index used in this Agreement are for the convenience of reference only and shall not be used in construing this Agreement.

5.21 Discretion to Encumber. This Agreement shall not prevent or limit the Authority in any manner, at its sole discretion, from encumbering the Project or any portion of the Authority's

Property or right in land for the Project by any mortgage, deed of trust, or other security device securing financing with respect to the Project or its improvements.

5.22 Expedited Processing. The County agrees to cooperate with the Authority in the processing of any legal action seeking specific performance, declaratory relief, or injunctive relief, to set court dates at the earliest practicable date(s), and not to cause delay in the prosecution/defense of the action, provided such cooperation shall not require any Party to waive any rights; but such cooperation shall not include bringing an action in the name of the County or sharing the expense of any such action by the County.

5.23 Counterparts; Electronic Execution. This Agreement may be executed in duplicate originals, each of which is deemed to be an original, but all of which, together, shall constitute but one and the same instrument. The Parties acknowledge that executed copies of this Agreement may be exchanged by facsimile or other electronic format (e.g. "pdf," "tif" or "DocuSign") and that the signatures on such copies shall be deemed to be effective and valid as original signatures. This Agreement, not counting the Cover Page, Table of Contents or Index, consists of 29 pages and 4 Exhibits.

5.24 Controlling Law Venue. *This Contract is made in the County of Colusa, State of California. The parties specifically agree to submit to the jurisdiction of the Superior Court of California for the County of Colusa."*

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

Sites Project Authority

Signed by:
By: Jerry Brown
Jerry Brown
Executive Director

APPROVED AS TO FORM:

Signed by:
By: Alan Doud
Alan Doud, Authority General Counsel

County of Colusa

By: Daurice K. Smith
Daurice K. Smith,
Board of Supervisor, Chair

APPROVED AS TO FORM:

By: Richard Stout
Richard Stout, County Counsel

ATTEST: Marcos Kropp
Wendy G. Tyler, Interim
Clerk to the Board of Supervisors

By: Patricia Rodriguez
PATRICIA RODRIGUEZ, Deputy

EXHIBIT A

Permit Requirement Matrix

Sites Reservoir Project Components Requiring Land Use Entitlements, Permits or Other Local Government Approvals

	Land Use Entitlement ¹	Williamson Act Contract Non-Renewal	Encroachment Permit ²	Surface Mining and Reclamation Act Permit ³	Building Permit	Grading Permit	Well and Waste Disposal	Retail Food Safety ⁴	Air Quality Permit ⁵	Transportation Permits ⁶	Comments
Colusa County											
Sites Reservoir Project water storage and conveyance facilities, including:	Local zoning not applicable, General Plan designation can be overruled	Yes	Yes	Yes	Not Applicable	Yes	Yes	Not Applicable	Yes	Yes	Pursuant to California Code Section 53091(e) (https://law.justia.com/citations.html) "Zoning ordinances of a county or city shall not apply to the location or construction of facilities for the production, generation, storage, treatment, or transmission of water, or for the production or generation of electrical energy, facilities that are subject to Section 12808 5 of the Public Utilities Code, or electrical substations in an electrical transmission system that receives electricity at less than 100,000 volts "
- Funks Pipelines - Funks and TRR West Easement - TRR West - On-site Quarry - Rock Processing - Saddle Dams 1 and 2 - Saddle Dam Access Roads - I/O Works - Golden Gate Dam - Sites Dam											Includes permits associated with the demolition of existing buildings and abandonment of wells, underground storage tanks, on-site sewage disposal from Colusa County Environmental Health Division.
Administration/Operations Building	Yes, based on non-federal land location	No	TBD	Not Applicable	Yes	Yes	Yes	TBD	Yes	Yes	Currently proposed near Funks Reservoir and will require potable water and waste disposal facilities May be located on federal land but not yet determined
- one-story, 3,400 square feet building - septic system, potable water provided wells, and electricity obtained from the Funks Reservoir switchyard											
Maintenance/Storage Building	Yes, based on non-federal land location	No	TBD	Not Applicable	Yes	Yes	Yes	Not Applicable	Yes	Yes	Currently proposed near Funks Reservoir and will require potable water and waste disposal facilities May be located on federal land but not yet determined
- one-story, 2,700 square feet building - septic system, potable water provided wells, and electricity obtained from the Funks Reservoir switchyard											
Visitors Center	Yes	TBD	TBD	Not Applicable	Yes	Yes	Yes	TBD	Yes	TBD	Precise location not determined, possibly located in the vicinity of the Reservoir and will require potable water and waste disposal facilities.

¹ Possible Land Use Entitlements include Use Permits, General Plan Amendments, and/or Zoning Amendments NOTE Not applicable to project components that will be "directly and immediately" used to store and transmit water and are not subject to zoning and building ordinances pursuant to California Code Sections 53091 and 53096 Pursuant to California Code Section 65402(c), a local agency may overrule county general plans that would obstruct its construction of any building or structure for a public purpose

² Includes use of local jurisdiction's right-of-way such as installation of pipeline across or within roadways

³ Mining activities are regulated in California by the Surface Mining and Reclamation Act (SMARA) and the Lead Agency Review and Assistance (LARA) Program, Colusa County requires large- and small-scale mineral and natural gas extraction, processing, and reclamation operations to obtain a Conditional Use Permit

⁴ Colusa County Environmental Health is responsible for permitting and inspecting retail food facilities for compliance with the California Retail Food Code

⁵ Includes Authority to Construct, Permit to Operate from local air districts NOTE Yolo-Solano Air Quality Management District is comprised of the 2 counties and seven incorporated cities, Colusa and Glenn have county-specific air districts

⁶ Related to transport of heavy or oversized loads on county roads

C25-227

Improvements to existing roads, including - Delevan Road Repairs to existing roads, including - Maxwell Sites Road New roads, including - Sites Lodoga Road and Bridge - Sites Lodoga Temporary Detour Road - Huffmaster Road Realignment - Comm Road - Day Use Boat Ramp Access Road - Peninsula Hills Recreation Area Access Road - Stone Corral Creek Recreation Area Access Road	Not Applicable	Yes	Yes	Not Applicable	Not Applicable	Yes	Not Applicable	Not Applicable	Yes	Yes	Road improvements include shoulder improvements, intersection widening, structure improvements, new or improved gravel roadway, and paving; other public local roads including Sites Lodoga Road, Huffmaster Road, Comm Road South, and recreation area roads will be relocated or developed to accommodate project facilities. Repairs to existing roads are intended to return roads to pre-project conditions without changes in geometrics Construction access and maintenance via onsite roads, including Funks Construction Access Road, Sites Base Dam Access Road, Golden Gate Dam Crest Access Road, I/O Tower Access Road, Funks PGP Maintenance Access Road, Sites Dam Crest Access Road, Saddle Dam Road, and Funks Construction Access Tehama-Colusa Canal Bridge
Recreational Facilities - Day-Use Boat Ramp - Peninsula Hills Recreation Area - Stone Corral Creek Recreation Area - Associated parking - Access to electricity - Potable water and toilet facilities - Emergency response facilities	Yes, including Minor Use Permit for Public Recreational Facilities and Campgrounds, Full Use Permit for Boat Ramps and Landings	Yes	Yes	Not Applicable	Yes	Yes	Yes	Yes	Yes	Yes	Permit requirements are based on conceptual layout and location and assume that recreational facilities would be subject to local building permits
Glenn County Sites Reservoir water storage and conveyance facilities, including - Saddle Dams 1, 3, 5, 6, 8A, and 8B - Saddle Dikes 1 and 2	Local zoning not applicable, General Plan designation can be overruled	Yes	Yes	Not Applicable	Not Applicable	Yes	Not Applicable	Not Applicable	Yes	Yes	Pursuant to California Code Section 55091(e) (https://law.justia.com/citations.html) "Zoning ordinances of a county or city shall not apply to the location or construction of facilities for the production, generation, storage, treatment, or transmission of water, or for the production or generation of electrical energy, facilities that are subject to Section 12808.5 of the Public Utilities Code, or electrical substations in an electrical transmission system that receives electricity at less than 100,000 volts " The existing land uses are Foothill Agriculture/Forestry and Intensive Agriculture, over 2,000 acres are under Williamson Act Contracts
Improvements to existing roads, including - Road 68 - Road 69 - Road D	Not Applicable	Yes	Yes	Not Applicable	Not Applicable	Yes	Not Applicable	Not Applicable	Yes	Yes	Improvements to existing roads to support construction include shoulder improvements, intersection widening, structure improvements, and paving Construction and maintenance on-site access via North Saddle Dam Road, South Saddle Dam Road and North Access Road

Yolo County

Release Facilities	Not Applicable	No	Yes	Not Applicable	Not Applicable	Yes	TBD	Not Applicable	Yes	Yes	Pursuant to California Code Section 53091(e) (https://law.justia.com/citations.html) "Zoning ordinances of a county or city shall not apply to the location or construction of facilities for the production, generation, storage, treatment, or transmission of water, or for the production or generation of electrical energy, facilities that are subject to Section 12808.5 of the Public Utilities Code, or electrical substations in an electrical transmission system that receives electricity at less than 100,000 volts." In Yolo County, most of the facilities would be located underground and would not conflict with existing land use or zoning designations, these land uses/zoning do not prohibit this type of infrastructure. Improvements to existing roads to support construction include shoulder improvements, intersection widening, structure improvements, and paving. Construction access will be accessed from existing roads, maintenance would occur through a Project right-of-way easement. Repairs to existing roads are intended to return roads to pre-project conditions without changes in geometrics.
• TC Canal Intake • Dunnigan Pipeline • CBD Outlet											
Repairs to existing roads, including	Not Applicable	No	Yes	Not Applicable	Not Applicable	Yes	TBD	Not Applicable	Yes	Yes	
• Road 7A • Road 8 • Road 89A • Road 90 • Road 99W											

Source: Information in this table is derived from the Sites Reservoir Final EIR/EIS and updated with roads identified through current design efforts, interpretation of CA Code, and ongoing coordination with local agencies, TBD = To Be Determined (as design advances)

EXHIBIT B

Project Specific Information and Example of Calculation for Payment in Lieu of Taxes

Payment in lieu of Taxes Section 3.3.143.3.14	This amount is currently estimated to be \$85,000 annually upon acquiring all land in Colusa County for the Project. Based on 2023 tax assessment basis. This amount shall be adjusted at such time that the property transfers from the private landowner to the Authority based upon the then current property tax basis for the properties removed from the County tax rolls. This amount shall be further adjusted annually at the rate of growth provided by the county assessor for the County.
Improvement Standards Section 3.2.5	• AASHTO – Guidelines for Geometric Design of Very Low-Volume Local Roads • AASHTO – A Policy on Geometric Design of Highways and Streets • Colusa County Department of Public Works – Standard No. RS-3 • AASHTO LRFD Bridge Design Specifications with California Amendments including the Caltrans Bridge Design Practice

Example of Calculation for Payment in Lieu of Taxes

Property 1/Year 1 (sale to Project in Year 1):

1. Property tax based on Unrestricted Assessed Value (without Williamson Act adjustment) times the percentage of property sold to Project = Assessed Value Attributed to the Project
2. Assessed Value Attributed to the Project times 1% Ad Valorem Property Tax = Base Property Tax Value
3. Assessed Value Attributed to the Project times Yuba College Bonds Ad Valorem = Yuba College Base Tax Value
4. Special District Charges times percentage of property sold to the project = Special District Charge Base Value
5. (Base Property Tax Value + Yuba College Base Tax Value+ Special District Base Value) times the portion of the tax year remaining at time of sale = Prorated Tax Loss year one
6. Project pays PILT of the Prorated Tax Loss within 30 days after receiving a properly submitted and complete invoice for the foregone property tax from the County Auditor-Controller.

Property 1 Year 2:

1. (Base Property Tax Value + Yuba College Base Tax Value) times the Property Tax Growth Factor as determined by the County's Assessor = Annual Property Tax Base
2. Special District Charge times any growth factor identified in enabling measure = Annual Special District Base.
3. Annual Property Tax Base plus Annual Special District Base = PILT
4. Project pays PILT within 30 days after receiving a properly submitted and complete invoice for the foregone property tax from the County Auditor-Controller.

Example based on 2024 assessed value and sale occurring with six months remaining in the current tax year:

Year 1 Step 1:

APN	Tax Rate Area	Total Parcel Acreage	Total Project Acreage	% of Parcel to Project	Total Unrestricted Assessed Value	Assessed Value Attributed to Project	Ad Valorem Property Tax	Yuba College Bonds (.026547%)
014-XX	066-006	535.35	99.291	18.55%	454,945	84,379	843.79	22.40

Base Property Tax Value \$843.79 (Step 2) + Yuba College Tax Base Value \$22.40 (Step 3) = \$866.19

Special District Charge Base Value \$0.00 (Step 4) times 18.55% = \$0.00

Total annual loss \$866.19 times assumed 6-month loss = \$433.10 (Step 5)

Project pays \$433.10 in PILT to County (Step 6)

Year 2

Annual Property Tax Base (County and College) \$866.19 times Assessor's Growth Factor of 2% = \$883.51 (Step 1)

Annual Special District Base \$0.00 x specified growth factor = \$0.00 (Step 2)

\$866.19 + \$0.00 = \$866.19 (Step 3)

Project pays \$866.19 to County (Step 4)

This table is for illustration purposes only. It assumes that the sale of each parcel is proportional to the percentage of each parcel included in the Project footprint and that the proportionate value of the parcel for in-lieu payment is based on the assessed value prior to the sale. The figure also assumes that sale of the project percentage of each of the parcels is completed in the current tax year. Only new or additional assessments beyond those shown here and applied by the County prior to purchase of the property by the Project shall be included in the Project's PILT.

COLUSA COUNTY - Gross Potential Property Tax Loss Attributed to Project - 2024 Values

Tax Year	Assumed PT Growth Factor	County	Yuba College Bonds (.026547%)	Schools (Incl. ERAF)	Special Districts	Colusa Ground- water Authority	City	Total
2024		\$ 21,814	\$ 2,176	\$ 48,663	\$ 6,758	\$ 182	\$ 4,731	\$ 84,324
2025	2%	22,250	2,219	49,636	6,893	186	4,825	86,010
2026	2%	22,695	2,264	50,629	7,031	189	4,922	87,730
2027	2%	23,149	2,309	51,641	7,171	193	5,020	89,485
2028	2%	23,612	2,355	52,674	7,315	197	5,121	91,275
2029	2%	24,085	2,402	53,728	7,461	201	5,223	93,100
2030	2%	24,566	2,450	54,802	7,610	205	5,328	94,962
2031	2%	25,058	2,499	55,898	7,763	209	5,434	96,861
2032	2%	25,559	2,549	57,016	7,918	213	5,543	98,799
2033	2%	26,070	2,600	58,157	8,076	217	5,654	100,775
2034	2%	26,591	2,652	59,320	8,238	222	5,767	102,790
2035	2%	27,123	2,706	60,506	8,403	226	5,882	104,846
2036	2%	27,666	2,760	61,716	8,571	231	6,000	106,943
2037	2%	28,219	2,815	62,951	8,742	235	6,120	109,082
2038	2%	28,783	2,871	64,210	8,917	240	6,242	111,263
2039	2%	29,359	2,929	65,494	9,095	245	6,367	113,489
2040	2%	29,946	2,987	66,804	9,277	250	6,494	115,758
2041	2%	30,545	3,047	68,140	9,463	255	6,624	118,073
2042	2%	31,156	3,108	69,503	9,652	260	6,757	120,435
2043	2%	31,779	3,170	70,893	9,845	265	6,892	122,844
2044	2%	32,415	3,233	72,311	10,042	270	7,030	125,300
2045	2%	33,063	3,298	73,757	10,243	276	7,170	127,807
2046	2%	33,724	3,364	75,232	10,447	281	7,314	130,363
2047	2%	34,399	3,431	76,737	10,656	287	7,460	132,970
2048	2%	35,087	3,500	78,271	10,870	293	7,609	135,629
2049	2%	35,789	3,570	79,837	11,087	298	7,761	138,342
2050	2%	36,504	3,641	81,433	11,309	304	7,917	141,109
2051	2%	37,234	3,714	83,062	11,535	311	8,075	143,931
2052	2%	37,979	3,788	84,723	11,766	317	8,236	146,810
2053	2%	38,739	3,864	86,418	12,001	323	8,401	149,746
2054	2%	39,513	3,941	88,146	12,241	330	8,569	152,741
								\$3,573,589

Distribution of Property Tax Attributed to Schools:

Above calculation includes the AB8 share of property taxes that go to schools in the percentages below.

Note: Property tax loss for schools exists in Year 1 only, the state makes up the property tax loss in the Local Control Funding Formula in subsequent years.

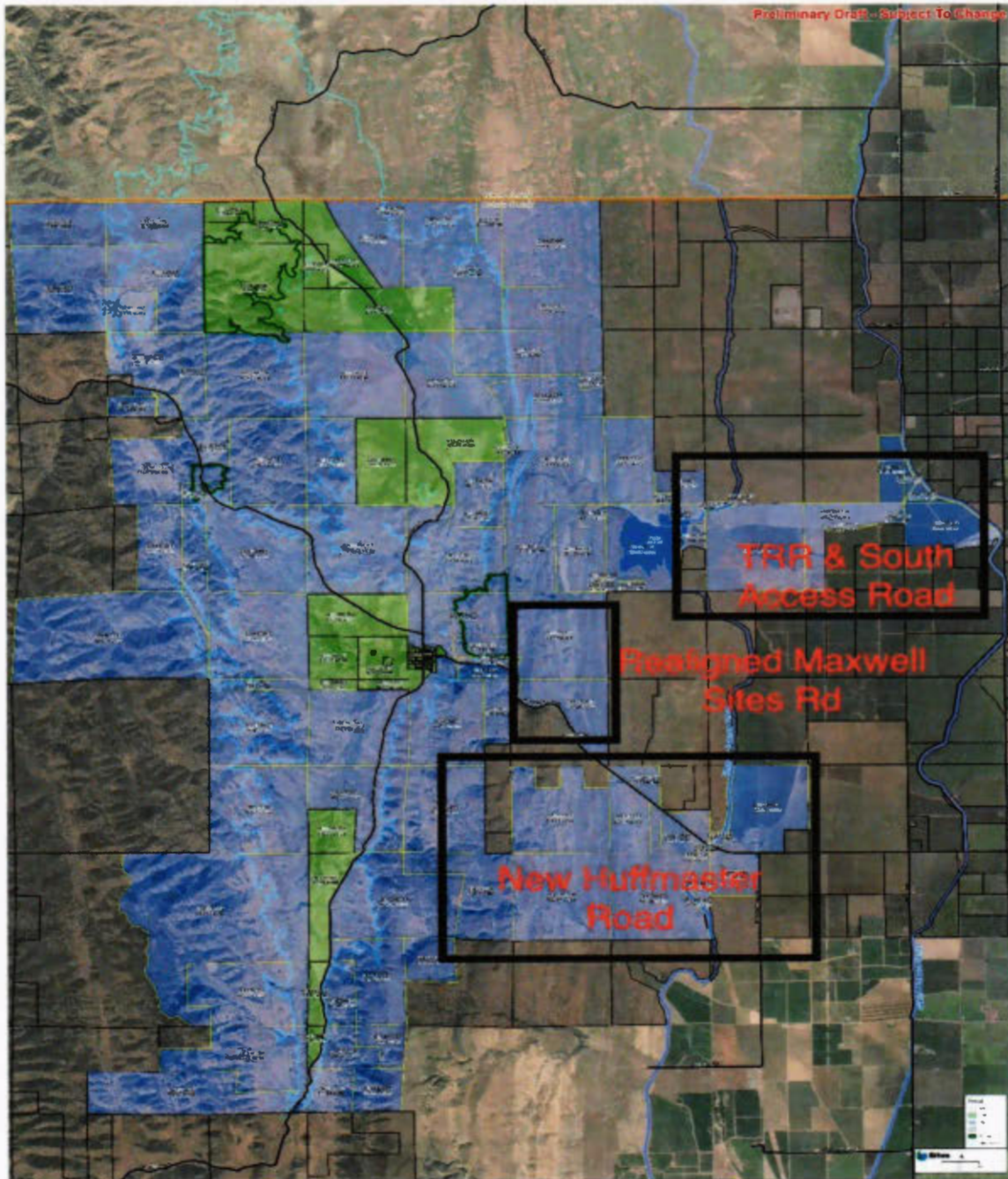
Tax Year	Princeton Unified (1.1424%)	Stonyford Unified (0.2625%)	Yuba College (12.4388%)	Colusa Unified (10.2363%)	Maxell Unified (3.7989%)	Pierce Unified (9.7218%)	Williams Unified (8.6720%)	Supt. Schools- Glenn (0.2788%)	Supt. Schools- Colusa (1.1058%)	Schools ERAF (11.7125%)	Total Schools
2024	\$ 936	\$ 215	\$ 10,196	\$ 8,390	\$ 3,114	\$ 7,969	\$ 7,108	\$ 229	\$ 906	\$ 9,600	\$ 48,663

ANNEX 1

to EXHIBIT B

Project Site Map

FOR COLUSA COUNTY:



FOR GLENN COUNTY:

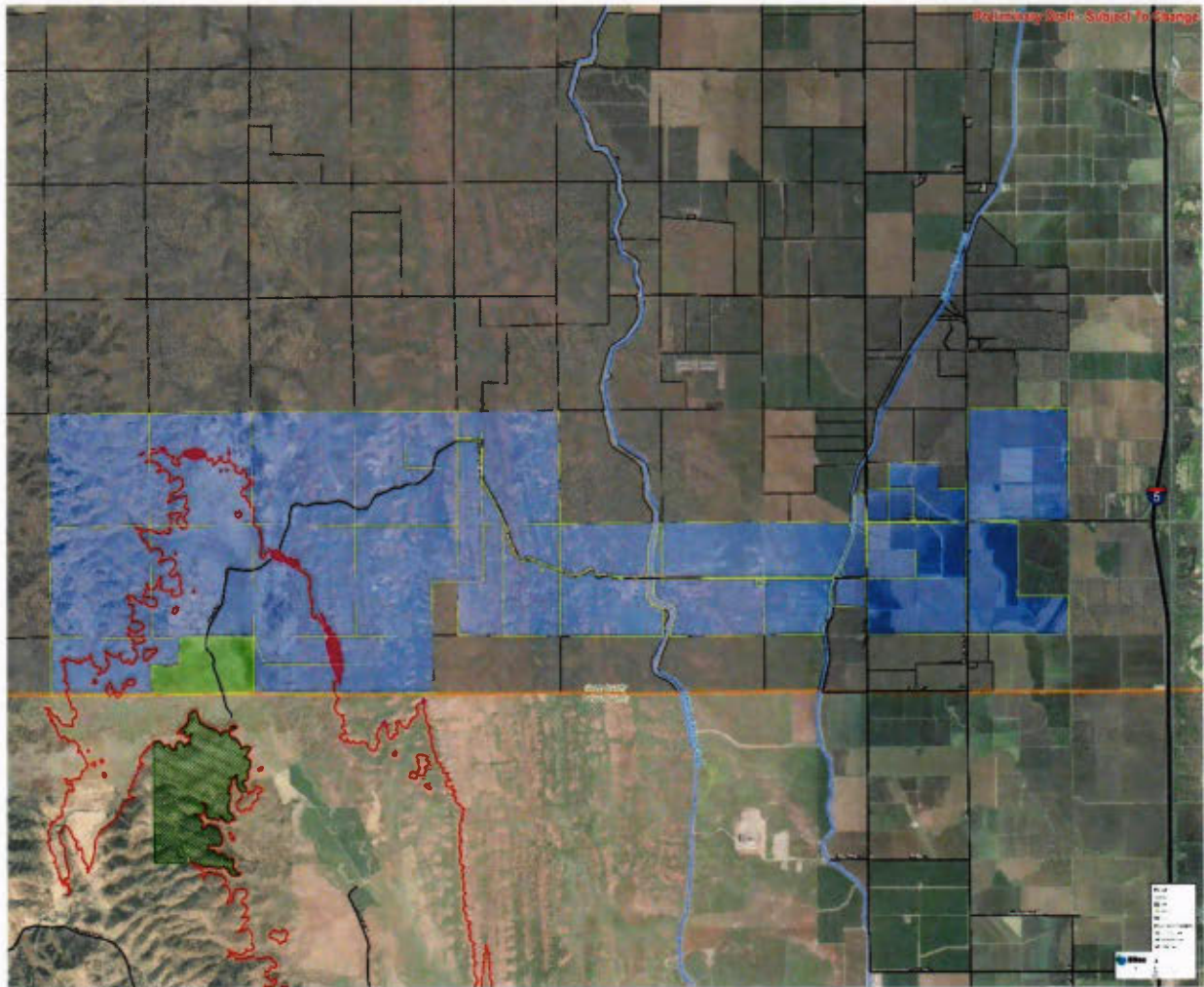


EXHIBIT C

Local Roads and Crossing Structures

County	Road Name	Proposed Status	Length of Road Affected (miles)	Duration of Use	Surface Type	Existing				Surface Type	Proposed				Type of Use			
						# of Lanes/Shoulder	Lane Width (ft)	Shoulder Width (ft)	Road Width (ft)		# of Lanes/Shoulder	Lane Width (ft)	Shoulder Width (ft)	Road Width (ft)	Public/Local Road	Construction Access	Maintenance Access	Recreational
Glenn	County Road 88	Existing road improvement	2.85	6-7 years	Paved asphalt	2	10-11	0-6.5	20-21	Paved asphalt	2	12	4	32	x	x		
Glenn	County Road 89	Existing road improvement	2.11	6-7 years	Paved asphalt	2	8-12	n/a	10-24	Paved asphalt	2	12	4	32	x	x		
Glenn	County Road 12	Existing road improvement	0.5	6-7 years	Paved asphalt	2	12	n/a	24	Paved asphalt	2	12	4	32	x	x		
Colusa	Diamond Road	Existing road improvement	2.18	6-7 years	Paved asphalt	2	10-12	0-6.5	20-22	Paved asphalt	2	12	4	32	x	x		
Colusa	Blanchard Way Road	Existing road repair	1.75	6-7 years	Paved asphalt	2	12	0.5	24-25	Unpaved aggregate/gravel	n/a	24	n/a	24		x	x	
Colusa	Mason's Way Road	Existing road repair	2.25	4-5 years	Paved asphalt	2	12	0.5	24-26	Paved asphalt	2	12	0.5	24-26	x	x		
Colusa	Washburn Road	New road	0.17	4-5 years	Paved asphalt	2	12	0.5	24-28	Paved asphalt	2	12	4	32	x	x		
Colusa	Shenandoah Temporary Detour Road	New road	1.28	2-3 years	n/a	n/a	n/a	n/a	n/a	Paved asphalt	2	12	4	32	x			x
Colusa	Hoffmeister Road Realignment	New road	0.25	4-5 years	Unpaved aggregate/gravel	n/a	15	n/a	25	Unpaved aggregate/gravel	1	12	3.5	25	x			
Colusa	Clayton Road	New road	1.01	1-2 years	Unpaved gravel	n/a	13	n/a	13	Unpaved aggregate/gravel	1	12	3.5	15			x	
Colusa	Day One Road Ramp Access	New road	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Paved asphalt	2	15	n/a	35				x
Colusa	Removal Hill Recreational Road	New road	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Paved asphalt	2	15	n/a	30				x
Colusa	Home Canal Recreational Access Road	New road	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Paved asphalt	2	15	n/a	30				x
Yuba	Road 7A	Existing road repair	0.25	2 years	Paved asphalt	n/a	16-20	n/a	16-20	Paved asphalt	n/a	20	n/a	20	x	x		
Yuba	Road 8	Existing road repair	0.68	2 years	Paved asphalt	2	12	0-3	24-30	Paved asphalt	2	12	0-3	30	x	x		
Yuba	Road 8A	Existing road repair	0.26	2 years	Paved asphalt	n/a	16-20	n/a	16-20	Paved asphalt	n/a	20	n/a	20	x	x		
Yuba	Road 10	Existing road repair	0.68	2 years	Paved asphalt	n/a	22-24	n/a	22-24	Paved asphalt	n/a	20	2	24	x	x		
Yuba	Road 10W	Existing road repair	0.85	2 years	Paved asphalt	2	12	0-12	45	Paved asphalt	2	12	0-12	45	x	x		

Structure/Crossing	Route	Condition	Proposed Work	Design Live Loading
North Access Road (near Road 69 split)*	Road 69	Existing Bridge - Condition Unknown Major modification required (Existing Width significantly less than required)	New wider bridge accommodating design loading.	HL93 and Permit design Load
Tehama-Colusa Canal*	Road 69	Existing Bridge - Condition Unknown Major modification required (Existing Width significantly less than required)	New wider bridge accommodating design loading.	HL93 and Permit design Load
East of Tehama-Colusa Canal	Road 69	Existing Culvert - Condition Unknown	New culvert accommodating an improved widen road.	HL93 and Permit design Load
West of Glenn-Colusa Canal	Road 69	Existing Culvert - Condition Unknown Major modification required (Existing Width significantly less than required)	New culvert accommodating an improved widen road.	HL93 and Permit design Load
Glenn-Colusa Canal*	Road 69	Existing Bridge - Condition Unknown Major modification required (Existing Width significantly less than required)	New wider bridge accommodating design loading.	HL93 and Permit design Load
Near the intersection of Road D/Road 68	Road D	Existing Culvert - Condition Unknown Major modification required (Existing Width significantly less than required)	New culvert accommodating an improved widen road.	HL93 and Permit design Load
Near the intersection of Road D/Road 68*	Road D	Existing Culvert - Condition Unknown Major modification required (Existing Width significantly less than required)	New wider bridge accommodating design loading.	HL93 and Permit design Load
West of the intersection of Road 68/Road F	Road 68	Existing Culvert - Condition Unknown	Potentially new culvert accommodating design loading.	HL93 and Permit design Load
West of I-5*	Road 68	Existing Bridge - Condition Unknown	Potentially new bridge accommodating design loading.	HL93 and Permit design Load
Glenn-Colusa Canal*	Delevan Road Extension	Existing Bridge - Condition Unknown Major modification required (Existing Width significantly less than required)	New wider bridge accommodating design loading.	HL93 and Permit design Load
Delevan Road (Private) over Unnamed Creek*	Delevan Road Extension	Existing Bridge - Condition Unknown Major modification required (Existing Width significantly less than required)	New wider bridge accommodating design loading.	HL93 and Permit design Load
Sites Reservoir West Bridge*	Sites Lodoga Road Realignment	New Bridge	New bridge accommodating design criteria and loading	HL93 and Permit design Load
Sites Reservoir East Bridge*	Sites Lodoga Road Realignment	New Bridge	New bridge accommodating design criteria and loading	HL93 and Permit design Load
Bird Creek (22C-0039)*	Road 90	Existing Bridge - Condition Unknown	Potentially new bridge accommodating design loading.	HL93 and Permit design Load

*Bridge improvements will be designed to Caltrans Standards (Caltrans review and approval will be coordinated by County)





Exhibit D

New Local Roads and Crossing Structures – Design, Construction, Maintenance, and County Acceptance Requirements

1. Design Standards and Requirements

1.1 All New Roads and Crossing Structures constructed by the Authority within the County's public right of way shall be designed and engineered in compliance with the latest edition (as of 2025) of the following:

- (a) Colusa County Standards and Specifications;
- (b) applicable Caltrans/AASHTO design and safety standards, including load rating requirements;
- (c) applicable federal and state accessibility standards;
- (d) site-specific geotechnical and hydrologic conditions, as approved by the County Engineer.

1.2 The Authority shall submit detailed plans and specifications for New Roads and Crossing Structures that are within the public right of way for review and written approval by the County Engineer prior to commencement of construction.

2. Construction Requirements

2.1 The Authority shall construct the New Roads and Crossing Structures in compliance with the approved plans and specifications and in accordance with all applicable laws, ordinances, and regulations.

2.2 The Authority shall ensure that all contractors and subcontractors are properly licensed and bonded in accordance with California law.

2.3 The Authority shall be responsible for all testing and quality control during construction, including compaction testing, concrete strength testing, and other materials testing as required by the County Engineer.

3. Inspection and Testing Rights

3.1 The County shall have the right, but not the obligation, to inspect the New Roads and Crossing Structures at any time during construction to confirm compliance with the approved plans, specifications, or standards.

3.2 The Authority shall provide the County Engineer or authorized representatives with reasonable access to the construction site and all relevant records, test results, and certifications.

3.3 If the County determines that any aspect of the work does not comply with the approved plans, specifications, or standards, the Authority shall promptly correct such deficiencies at its sole cost.

4. Ownership Transfer and Acceptance

4.1 Upon completion of construction, the Authority shall provide to the County:

- (a) as-built drawings certified by a licensed civil engineer;
- (b) a complete set of maintenance manuals and warranties for all structural components;
- (c) written certification from a licensed engineer that the New Roads and Crossing Structures were

constructed in accordance with approved plans and applicable standards;

(d) proof of all required environmental clearances and permits for the New Roads and Crossing Structures.

4.2 The County shall conduct a final inspection of the New Roads and Crossing Structures. If the New Roads and Crossing Structures are found to meet the requirements of this Exhibit D, the County shall issue a Notice of Acceptance, at which time ownership and maintenance responsibility shall transfer to the County.

4.3 The Authority shall warrant all New Roads and Crossing Structures against defects in materials and workmanship for a period of one year from the date of Notice of Acceptance. During this period, The Authority shall, at its own expense, repair or replace any defective work to the satisfaction of the County.

4.4 The County's Notice of Acceptance shall represent full and complete ownership transfer of the specific New Road and Crossing Structure to the County. The Authority and County agree that the County may issue Notice(s) of Acceptance of New Roads and Crossing Structures which may occur intermittently and as portions of all New Roads and Crossing Structures are complete.

5. Maintenance Prior to Transfer

5.1 Until issuance of the Notice of Acceptance for any portion, the Authority shall be solely responsible for the maintenance, repair, and security of the New Roads and Crossing Structures, including erosion control and stormwater management.

6: Special Provisions for the Sites Lodoga Road Bridge

6.1 Enhanced Design Requirements - The Sites Lodoga Road Bridge ("Bridge") shall be designed to meet the minimum design life expectancy of 75 years for reinforced concrete structures and shall incorporate features that minimize long-term maintenance, including but not limited to:

- Corrosion-resistant materials (e.g., epoxy-coated or stainless-steel rebar)
- Deck and joint systems engineered to minimize water infiltration
- Redundant structural capacity to accommodate future loading standards
- Flood and scour resilience consistent with Caltrans' guidance for critical infrastructure

The Bridge design shall comply with the most current (as of 2025) Caltrans Bridge Design Manual and AASHTO LRFD Bridge Design Specifications.

6.2 Independent Peer Review - Prior to final design approval for the Bridge, the Authority shall retain an independent, qualified bridge engineering firm (approved by the County Engineer) to conduct a third-party peer review. The peer reviewer shall certify that the final Bridge design:

- Meets or exceeds applicable standards set out in this Exhibit D
- Reasonably minimizes anticipated life-cycle maintenance costs
- Appropriately accounts for site-specific risks including flooding, seismic activity, and geotechnical conditions

6.3 Transfer Conditions - In addition to the general transfer conditions specified in Section 4, the following must be provided:

- A complete Bridge Maintenance Manual with recommended inspection intervals, materials specifications, and preventive maintenance schedules
- A certified cost estimate of anticipated life-cycle maintenance for the Bridge over a 75-year horizon
- All manufacturer and contractor warranties and any Bridge instrumentation records

6.4 Extended Warranty and Post-Transfer Support – The Authority shall provide a five-year extended warranty for structural defects in the Bridge, commencing upon County's Notice of Acceptance. During this period, the Authority shall:

- Conduct annual inspections and submit findings to the County
- Repair or replace any components deemed to have material defects or premature deterioration
- Coordinate with the County to address any identified deficiencies at no cost to the County

6.5 County Maintenance Support Contribution - As a condition of Notice of Acceptance, the Authority shall:

- Establish a Bridge Maintenance Fund or make a one-time lump-sum payment to the County in an amount to be mutually agreed upon, based on the Bridge estimated life-cycle maintenance cost
- The purpose of this contribution is to defray the County's long-term maintenance burden attributable to the Bridge