



CITY COUNCIL MEETING

Tuesday, August 20, 2024
Regular Meeting - 6:00 PM
City Hall – City Council Chambers
425 Webster Street, Colusa, CA 95932

AGENDA

Zoom Information:

<https://us06web.zoom.us/j/89890717467>
Meeting ID: 898 9071 7467 Passcode: 726926
Mobile: 669-444-9171, ID 89890717467

Mayor – Daniel Vaca
Mayor Pro Tem – Ryan Codorniz
Council Member – Denise Conrado
Council Member – Greg Ponciano
Council Member – Dave Markss

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

PUBLIC COMMENTS *(The public to address any item of City business NOT appearing on this Agenda. Speakers must limit their comments to three (3) minutes each. Please note that per Government Code Section 54954.3(a), the City Council cannot take action or express a consensus of approval or disapproval on any public comments regarding matters which do not appear on the printed agenda)*

CONSENT CALENDAR - *All items listed on the Consent Calendar are considered by the Council to be routine in nature and will be enacted by one motion unless an audience member or Council member requests otherwise, in which case, the item will be removed for separate consideration.*

1. **Adopt** - Resolution to terminate the Development Agreement with Compass Leaf

COUNCIL MEMBER /CITY MANAGER REPORTS AND STAFF COMMENTS

PUBLIC HEARING

2. Public Hearing for the Wescott Subdivision which involves a General Plan Amendment, Rezone, Tentative Subdivision Map and a Development Agreement and to hold an introductory reading of Ordinance 565 regarding Rezone

Recommendations: Council to open the Public Hearing and,

Council to adopt the Resolution adopting a modified mitigated negative declaration; 2) approving a General Plan Amendment, and 3) approving a Tentative Subdivision Map (Wescott Subdivision) and,

Council to introduce and read by title only Ordinance 565: approving a Development Agreement and rezoning property identified as Assessor's Parcels Numbers: 017-130-107 and 017-130-050 (Portion of) from R-1 (Single Family Residential District to R-1/PD (Single Family Residential District/Planned Development), R-2/PD (Two-Family Residential District/Planned Development R-3/PD (Neighborhood Apartment District/Planned Development), CM/PD (Commercial Professional District/Planned Development), O-S (Open Space District) and P-F (Public Facility/Park District) (Westcott Subdivision)

COUNCIL CONSIDERATION

3. Consideration of a Resolution to approve the City Manager to enter into the purchase agreement for the CD Semple Park Inclusive Playground Project

Recommendation: Council to adopt the Resolution to approve the City Manager to enter the purchase agreement for the CD Semple Park Inclusive Playground Project

4. Consideration of the Resolution approving the Grand Jury letter

Recommendation: Council to adopt the Resolution approving the Grand Jury Letter from the Mayor

5. Consideration of the Resolution for the BC&E Colusa 1 LLC for tax credits and 12.5% ownership

Recommendation: Council to adopt the Resolution for the BC&E Colusa 1 LLC for tax credits and 12.5% ownership.

6. Consideration of a Resolution for a Lease Agreement with BC&E USA Colusa1, LLC for part of the Pirelli Building

Recommendation: Council to adopt the Resolution to work on a Lease Agreement with BC&E USA Colusa1, LLC for part of the Pirelli Building

DISCUSSION ITEMS

7. Mushroom Plant update

FUTURE AGENDA ITEMS

ADJOURNED to CLOSED SESSION

CLOSED SESSION MEETING

- PUBLIC EMPLOYEE PERFORMANCE EVALUATION (§ 54957) Title: City Manager

REPORT ON CLOSED SESSION



Notice of Meetings and Agendas

The Regular Colusa City Council meetings are held the first and third Tuesdays of each month at 6:00 pm in the Colusa City Council Chambers located at 425 Webster Street, Colusa California unless otherwise noted above. Copies of open session agenda packets, which are distributed to the City Council, are on file at the front desk of the City at 425 Webster Street, Colusa, California, and are available for public inspection beginning 72 hours in advance, during normal business hours (7:00 am – 5:00 pm., Monday through Thursday except for City holidays). Additionally, if any reports or documents, which are public records, are distributed to the City Council less than 72 hours before the meeting, those reports and documents will also be available for public inspection at the front desk of the City and on the day of the meeting in the Council Chambers.

Americans with Disabilities Act

In compliance with the Americans with Disabilities Act, persons requiring accommodations for a disability at a public meeting should notify the City Clerk at least 48 hours prior to the meeting at (530) 458-4941 in order to allow the City sufficient time to make reasonable arrangements to accommodate participation in this meeting.

“This institution is an equal opportunity employer and provider”



City of Colusa California

STAFF REPORT

DATE: August 20, 2024
TO: Mayor and Members of Council
FROM: Jesse Cain, City Manager

AGENDA ITEM: Termination of a Development Agreement with Compass Leaf

Recommendation: Council to adopt the Resolution to terminate the Development Agreement with Compass Leaf.

BACKGROUND ANALYSIS: On June 6, 2017, the Colusa City Council approved a Development Agreement (DA) for Cultivation Technologies Incorporated (CTI) applicable to approximately 10.6 acres within the Colusa Industrial Park. Since then, CTI has entered a contract with Compass Leaf, LLC to transfer 10.6 acres of their site.

During their public hearing on October 2, 2018, the City Council voted 5-0 to introduce an Ordinance for a DA between the City of Colusa and Compass Leaf, LLC. This Ordinance and related DA was scheduled for a second reading and adoption by the City Council on October 16, 2018

The Colusa Unified School District now owns the property that Compass Leaf had its original DA recorded on. Compass Leaf has asked the City of Colusa to terminate the Development agreement for the use of cannabis activities.

BUDGET IMPACT: None

STAFF RECOMMENDATION: Council to adopt the Resolution terminating the Development Agreement and removing it from the title.

ATTACHMENT:

Title report
Resolution 24-
Notice of Termination of Development Agreement

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLUSA APPROVING
TERMINATION OF DEVELOPMENT AGREEMENT FOR COMPASS LEAF LLC**

WHEREAS, the City Council agrees to terminate the Development Agreement with Compass Leaf LLC Development; and

WHEREAS, on August 20, 2024, the City of Colusa City Council approves the termination of the Compass Leaf LLC Development Agreement.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF COLUSA DOES HEREBY
RESOLVE:**

1. Recitals. The foregoing recitals are true and correct and made part of this Resolution.
2. Approval. The City of Colusa City Council approves the resolution to terminate the development agreement with Compass Leaf LLC, and:
3. Effective Date. This Resolution shall be effective immediately.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

Passed and adopted this twentieth day of August 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

DANIEL VACA, MAYOR

ATTEST:

Shelly Kittle, City Clerk



ORANGE COAST TITLE COMPANY

of Northern California
2260 Douglas Boulevard, Suite 100
Roseville, CA 95661

Phone: (916)782-1515 Fax: (916)782-1555

Compass Club, LLC, a California Limited Liability
Company
38500 County Road 14
Woodland, CA 95695

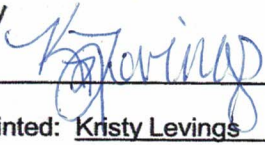
Date: October 18, 2018
Escrow No.: 525-SAC-18203570-71 - BM
Property Address: Davison Drive - Vacant Land
Colusa, CA 95932

PRELIMINARY REPORT APPROVAL

I have read the Preliminary Report dated September 28, 2018, covering the property described in your above numbered escrow, and approve the Policy of Title Insurance to be issued to me as required by my instructions to include as encumbrances therein Item No.(s) 1-5, 7-16, 21-30 of said report, in addition to those specific items described in my escrow instructions or created by me.

I hereby acknowledge receipt of a copy of said Preliminary Report.

Compass Club, LLC, a California Limited Liability
Company

BY: 
Name Printed: Kristy Levings



Orange Coast Title Company

2260 Douglas Blvd, Suite 100
Roseville, CA 95661
(916) 782-1515

[Preliminary Report Title]

Clear Blue Commercial
911 Lakeville Street, Suite 272
Petaluma, CA 94952

Escrow Officer: Beverly McPherson
Escrow No.: 18203570

Attention: Ben Goldman
Property address: Davison Drive - Vacant Land, Colusa, CA 95932

Your no.:
Order no.: 100-1968961-62

Dated: October 16, 2018

In response to the above referenced application for a policy of title insurance, **Orange Coast Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit B attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit B. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit B of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters, which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of September 28, 2018 at 7:30 AM

Beverly McPherson, Escrow Officer
Ph: 916-782-1515
Email: beverlym@octitle.com

Read and Approve

The form of policy of title insurance contemplated by this report is:

C.L.T.A. Standard Coverage Policy - 1990 (Owners Policy or Joint Protection)

See attached disclosure.

Schedule "A"

The estate or interest in the land hereinafter described or referred to covered by this report is:

A fee, as to parcel(s) 1, 2-A and 3; an easement, as to parcel(s) 2-B.

Title to said estate or interest at the date hereof is vested in:

Colusa Industrial Properties, a partnership, as to Parcel 1 and Colusa Industrial Properties, Inc., a California Corporation, as to Parcels 2 and 3

The land referred to in this report is situated in an unincorporated area known as Colusa, the County of Colusa, State of California, and is described as follows:

Parcel 1: (Portion of 017-130-051 and 017-130-052)

Being a portion of Parcel 7 and all of Parcel 8 of that certain Parcel Map filed in Book 6 of Parcel Maps, at Page 12, Colusa County Records and more particularly described as follows:

All of said Parcel 8 together with the following described property:

Beginning at the Northwesterly corner of said Parcel 8; thence North 24° 04' 42" West along the Westerly line of said Parcel 7, 238.61 feet; thence North 65° 55' 18" East, 280.00 feet to a point on the center line of Davison Drive; thence South 24° 04' 42" East along the centerline of Davison Drive, 280.00 feet; thence South 65° 55' 18" West along the Northerly line of said Parcel 8, 280.00 feet to the Point of Beginning.

Excepting therefrom, all oil, gas, minerals and other hydrocarbon substances lying below a depth of 500 feet from the surface thereof, without the right of surface entry thereto as reserved in the Deed recorded June 8, 1981 in Book 504 Page 449, Official Records.

Said land is also described as Parcel B on that certain Certificate of Compliance – Lot Line Adjustment No. 04-18, recorded on August 22, 2018 as Instrument No. 2018-0002742, Official Records of said County.

Parcel 2: (Portion of 017-130-053)

Parcel A:

A portion of Parcel Nine as shown on that certain Map on file in Book 6 of Parcel Maps at Page 12, Colusa County Records and lying within the Jimeno Rancho in Township 15 North, Range 1 West, M.D.B. & M., County of Colusa, State of California and more particularly described as follows:

Beginning at the Northwesterly corner of said Parcel 9; thence N 65° 55' 18" E along the Northerly line of said Parcel, 280.00' to the Northeasterly corner of said Parcel 9; thence S 24° 04' 42" E along the Easterly line of said Parcel 9, 168.61'; thence leaving said line S 71° 00' 25" W, 281.11' to the Westerly line of said Parcel; thence N 24° 04' 42" W. 143.70' to the point of beginning.

Parcel B:

An easement for ingress, egress and utilities over the following described property:

Beginning at the Northeasterly corner of said Parcel 9; thence S 24° 04' 42" E along the Easterly line of said Parcel 9, 30.00'; thence N 65° 55' 18" E, 30.00'; thence N 24° 04' 42" W, 39.98' to a point on the South right of way line of Davison Drive; thence Southwesterly and along a curve to right said curve being the South right of way line of Davison Drive to the point of beginning.

Excepting therefrom all oil, gas, minerals and other hydrocarbon substances lying below a depth of 500 feet from the surface thereof, without the right of surface entry thereto, as reserved in the deed recorded June 8, 1981 in Book 504 Page 449, Official Records.

Said land is also described as Parcel B on that certain Certificate of Compliance-Lot Line Adjustment No. 02-18 LLA, recorded on June 26, 2018 as Instrument No. 2018-0002167, Official Records of said County.

Parcel 3: (017-130-072)

A portion of Parcels Three and Four as shown on that certain map on file in Book 6 of Parcel Maps at Page 12, and lying within the Jimeno Rancho in Township 15 North, Range 1 West, M.D.B. & M., County of Colusa, State of California and more particularly described as follows:

Beginning at the Northeasterly corner of said Parcel Three, said point being on the Westerly line of State Highway 20; thence S 24° 04' 42" E, along the Easterly line of said Parcel Three, a distance of 362.30 feet; thence S 18° 56' 04" E, along the Westerly line of that certain Parcel conveyed to the State of California in that certain document on file as Document Number 2006-0004595, a distance of 204.94 feet; thence S 24° 04' 38" E, along said Westerly line, a distance of 79.45'; thence S 71° 00' 25" W, 262.66 to a point on the Easterly line of Parcel 9 as shown on that certain map on file in Book 6 of Parcel Maps at Page 12, thence N 24° 04' 42" W along the Easterly line of said Parcel 9, 168.61' to the Northwesterly corner of said Parcel 4; thence along a non tangent curve to the left with a chord bearing of N 1° 26' 39" E, a chord distance of 90.24', an arc distance of 112.54' and a radius of 50.00'; thence along a tangent reverse curve to the right with a radius of 40.00' and arc length of 27.19'; thence N 24° 04' 42" W along the Westerly line of said Parcel 3, 347.39 to the Northwesterly corner of said Parcel 3; thence N 65° 55' 18" E along the Northerly line of said Parcel 3, 249.99' to the point of beginning.

Together with the Easterly half of the strips of lands known as Davidson Drive contiguous to the above described property.

Excepting therefrom all oil, gas, minerals and other hydrocarbon substances lying below a depth of 500 feet from the surface thereof, without the right of surface entry thereto, as reserved in the deed recorded June 8, 1981 in Book 504 Page 449, Official Records.

Said land is also described as Parcel A on that certain Certificate of Compliance-Lot Line Adjustment No. 02-18 LLA, recorded on June 26, 2018 as Instrument No. 2018-0002167, Official Records of said County.

Assessor's Parcel Numbers(s):

1: 017-130-051

1: 017-130-052

1: 017-130-053

1: 017-130-072

Schedule "B"

At the date hereof exceptions to coverage in addition to the printed exceptions and exclusions contained in said policy form would be as follows:

- 1 General and Special taxes for the fiscal year 2018-2019, including any assessments collected with current taxes.
- | | |
|-----------------|----------------------------------|
| Total amount | \$153.04 |
| 1st installment | \$76.52, open |
| Penalty | \$not set out (after 12/10/2018) |
| 2nd installment | \$76.52, open |
| Penalty | \$not set out (after 04/10/2019) |
| Code area | 058-041 |
| Parcel No. | 017-130-051-000 |
| Exemption | \$none |

The above taxes cover Portion of Parcel 1 and other land.

- 2 General and Special taxes for the fiscal year 2018-2019, including any assessments collected with current taxes.
- | | |
|-----------------|----------------------------------|
| Total amount | \$161.94 |
| 1st installment | \$80.97, open |
| Penalty | \$not set out (after 12/10/2018) |
| 2nd installment | \$80.97, open |
| Penalty | \$not set out (after 04/10/2019) |
| Code area | 058-041 |
| Parcel No. | 017-130-052-000 |
| Exemption | \$none |

The above taxes cover Portion of Parcel 1.

- 3 General and Special taxes for the fiscal year 2018-2019, including any assessments collected with current taxes.
- | | |
|-----------------|----------------------------------|
| Total amount | \$173.04 |
| 1st installment | \$86.52, open |
| Penalty | \$not set out (after 12/10/2018) |
| 2nd installment | \$86.52, open |
| Penalty | \$not set out (after 04/10/2019) |
| Code area | 058-041 |
| Parcel No. | 017-130-053-000 |
| Exemption | \$none |

The above taxes cover Parcel 2 and other land.

- 4 General and Special taxes for the fiscal year 2018-2019, including any assessments collected with current taxes.
- | | |
|-----------------|----------------------------------|
| Total amount | \$243.48 |
| 1st installment | \$121.74, open |
| Penalty | \$not set out (after 12/10/2018) |
| 2nd installment | \$121.74, open |
| Penalty | \$not set out (after 04/10/2019) |
| Code area | 058-041 |
| Parcel No. | 017-130-072-000 |
| Exemption | \$none |

The above taxes cover Parcel 3 and other land.

- 5 The Lien of future supplemental taxes, if any, assessed pursuant to the provisions of section 75, et seq of the revenue and taxation code of the state of California
- 6 Prior to close this company will require the Tax Collector's Office be contacted to verify open and delinquent taxes.

7 An easement for purposes herein stated, and rights incidental thereto as provided in an instrument
 Recorded : In Book 112 Page 21, of Deeds.
 For : Single line of poles, wires and incidental purposes
 In favor of: Pacific Gas and Electric Company
 Affects: the location of said easement cannot be determined from the public records.

8 An easement for purposes herein stated, and rights incidental thereto as provided in an instrument
 Recorded: In Book 274 Page 366, Official Records.
 For : To construct and operate an airport and incidental purposes
 In favor of : County of Colusa
 Affects : The location of said easement is set forth therein.

9 Covenants, conditions and restrictions in an instrument recorded 5/11/1982 in Book 517 Page 199, Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any mortgage or Deed of Trust made in good faith and for value, but omitting any covenants or restrictions, if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under chapter 42, section 3604 of the United States code or (b) relates to handicap but does not discriminate against handicapped persons.

"NOTE: section 12955 of the government code provide the following: if this document contains any restriction based on race, color, religion, sex, familial status, marital status, disability, national origin, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12955 of the government code. Lawful restriction under state and federal law on the age of occupants in senior housing for older persons shall not be construed as restriction based on familial status."

An instrument declaring a modification thereof was recorded 11/10/2011, as Instrument No. 2011-3853, Official Records

An instrument declaring a modification thereof was recorded 1/11/2018, as Instrument No. 2018-124, Official Records

The effect of the following:

An instrument, upon the terms and conditions contained therein
 Entitled: Termination and Release of Declaration of Protective Covenants
 Recorded: 8/6/2018, as Instrument No. 2018-0002590, Official Records

10 An easement for landscaping, private roadway, emergency vehicles and incidental purposes, as shown on said Parcel Map
 Affects: The location of said easement is set forth therein.
 Filed: in Book 6, Page 12, of Parcel Maps

11 Provisions of the dedication statement on map of
 Tract: Parcel Map No. 00-4-1
 Which recite: Property lies within Zone "X" of the Colusa County Flood Plain, Community No. 06022 D, Panel 30, dated August 3, 1998

12 Matters, rights or boundary discrepancies that may exist or be disclosed by a Record of Survey filed in Book 4 Page 136, in the office of the County Recorder of said County.

13 A waiver in favor of the State of California of any claim for damages to said land by reason of the location, construction, landscaping or maintenance of a highway contiguous thereto, as contained in the instrument recorded 8/9/2006 , 8/9/2006 as Instrument No. 2006-4595, of Official Records.

14 An instrument, upon the terms and conditions contained therein
 Entitled: Memorandum of Agreement for Water Service and Easement Maintenance
 Dated: 10/10/2012
 Executed by and between: Colusa Industrial Properties, a California Corporation and WestAmerica Bank
 Recorded: 10/17/2012 as Instrument No 2012-3730, Official Records.

Reference is hereby made to the above document for full particulars.

- 15 An instrument, upon the terms and conditions contained therein
 Entitled: Memorandum of Agreement for Water Service and Easement Maintenance
 Dated: 12/1/2013
 Executed by and between: Colusa Industrial Properties, a California Corporation and Clear Lake Lava, Inc., a California Corporation, dba Clearcast Concrete and Stone Products
 Recorded: 1/9/2014 as Instrument No 2014-61, Official Records.

Reference is hereby made to the above document for full particulars.

- 16 The effect of a map of community facilities district and the notice of special tax authorization and the lien of any taxes or assessments levied by or bonds issued by California Home Finance Authority Community Facilities District No. 2014-1 (Clean Energy), filed in book 1, page(s) 8, assessment maps, as disclosed by a document recorded 2015-2833, Official Records.

- 17 "NOTE: Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation, please contact your title officer immediately for further review".

- 18 This company will require the following in order to insure title in, or a conveyance or encumbrance from the entity named below.

Name: Colusa Industrial Properties, Inc., a California Corporation

(a) A copy of the by-laws or articles of association (sometimes known as the "agreement" or "charter").

(b) A copy of the resolution of the association approving the present transaction and identifying the subject land. The resolution should also state that the transaction is necessary for the business purposes of the association and should name the parties who are authorized to execute documents for the association.

(c) Articles of incorporation

- 19 Prior to the issuance of any policy of title insurance, the following must be furnished to the company with respect to Colusa Industrial Properties, a partnership.

This company will require evidence that a certified copy of a "filed" statement of partnership authority (form gp-1) with the office of Secretary of State has been recorded in the office of the county recorder, together with a current list naming all members of said partnership.

The company reserves the right to make additional exceptions and/or requirements upon examination of all instruments submitted in satisfaction of the foregoing requirement(s).

- 20 Rights of parties in possession of said land by reason of unrecorded leases, if any. Please forward said leases for our examination.

- 21 Any right, interest or claim that may exist, arise or be asserted under or pursuant to the Perishable Agricultural Commodities Act of 1930, as amended, 7 U.S.C. §499a et seq., the Packers and Stockyard Act of 1921, as amended, 7 U.S.C. §181, et seq., or any similar state laws.

- 22 Excepting herefrom coverage for any violation of State or Federal laws.

- 23 (a) Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records;
 (b) Proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.

- 24 Any facts, rights, interests, or claims which are not shown by the public records which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
- 25 Easements, liens or encumbrances, or claims thereof, not shown by the public records.
- 26 Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- 27 (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.
- 28 Any lien or right to a lien for services, labor or material not shown by the public records.
- 29
1. Lack of possession by any Insured of the original promissory note secured by the Insured Mortgage.
 2. The absence from the original promissory note of a proper endorsement if the Insured named in Schedule A is an assignee of said note.
 3. Any claim which arises out of the transaction creating the interest of the Insured by reason of federal or state securities law.
 4. Any interest of (insert name of Broker or Servicer)
- 30 Without limiting, modifying, abridging or negating any provision of the Exclusions From Coverage stated in this Policy or any other exception included in this Schedule B, and as a supplement and addition thereto, this Policy does not insure or provide title insurance coverage for or against any and all consequences and effects, legal, equitable, practical or otherwise, civil or criminal, of any violation or alleged violation of any federal, state, county, municipal or local laws, statutes, ordinances or regulations or any actual or threatened action, court order or mandate for the enforcement thereof, relating to or governing the use, processing, manufacture, growth, possession, distribution, sale or any other activity on, about, or relating to or concerning the Land, title thereto or any interest therein, of any controlled or regulated substance, including, without limitation, marijuana, and any component, derivative or product thereof. This policy insures title only; nothing contained in this policy shall be construed to insure the subject premises for any particular use.

End of Schedule B

“NOTES AND REQUIREMENTS SECTION”

ORANGE COAST TITLE COMPANY

NOTE NO. 1**AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE STATEMENT NOTICE**

This is to give you notice that Orange Coast Title Company owns an interest in Real Advantage Title Insurance Company. This underwriter may be chosen by Orange Coast Title Company and this referral may provide Orange Coast Title Company a financial or other benefit.

You are NOT required to use the listed provider as a condition for settlement of your loan or purchase, sale or refinance of the subject property and you have the opportunity to select any of the Orange Coast Title Company title insurance underwriters for your transaction. THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES

Notes section continued on next page...

NOTE NO. 2

California Revenue and Taxation Code Section 18662, effective January 1, 1994 and by amendment effective January 1, 2003, provides that the buyer in all sales of California Real Estate may be required to withhold 3 and 1/3% of the total sales price as California State Income Tax, subject to the various provisions of the law as therein contained.

NOTE NO. 3 PAYOFF INFORMATION:

Note: this company does require current beneficiary demands prior to closing.

If the demand is expired and a correct demand cannot be obtained, our requirements will be as follows:

- A. If this company accepts a verbal update on the demand, we may hold an amount equal to one monthly mortgage payment. The amount of this hold will be over and above the verbal hold the lender may have stipulated.
- B. If this company cannot obtain a verbal update on the demand, will either pay off the expired demand or wait for the amended demand, at the discretion of the escrow.
- C. In the event that a payoff is being made to a servicing agent for the beneficiary, this company will require a complete copy of the servicing agreement prior to close.

NOTE NO. 4

If this company is requested to disburse funds in connection with this transaction, chapter 598, statutes of 1989 mandates hold periods for checks deposited to escrow or sub-escrow accounts. The mandatory hold is one business day after the day deposited. Other checks require a hold period from three to seven business days after the day deposited.

Notice Regarding Your Deposit of Funds

California Insurance Code Sections 12413 *et. Seq.* Regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow and sub-escrow accounts and be available for withdrawal prior to disbursement. Funds deposited with the Company by wire transfer may be disbursed upon receipt. Funds deposited with the Company via cashier's checks drawn on a California based bank may be disbursed the next business day after the day of deposit. If funds are deposited with by other methods, recording or disbursement may be delayed. All escrow and sub-escrow funds received by the Company will be deposited with other funds in one or more non-interest bearing escrow accounts of the Company in a financial institution selected by the Company. The Company and/or its parent company may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with the financial institution, and the Company shall have no obligation to account to the depositing party in any manner for the value of, or to pay such party, any benefit received by the Company and/or its parent Company. Those benefits may include, without limitation, credits allowed by such financial institution on loans to the Company and/or its parent company and earnings on investments made on the proceeds of such loans, accounting, reporting and other services and products of such financial institution. Such benefits shall be deemed additional compensation of the Company for its services in connection with the escrow or sub-escrow.



Orange Coast Title Company

2260 Douglas Blvd, Suite 100
Roseville, CA 95661
(916) 782-1515

Attention:
Borrower: **CompassLeaf, LLC**

Lenders supplemental report

The above numbered report (including any supplements or amendments thereto) is hereby modified and/or supplemented in order to reflect the following additional items relating to the issuance of an American Land Title Association loan policy form as follows:

- A. The land referred to in Schedule A is Davison Drive - Vacant Land, Colusa, CA 95932.

The only conveyance(s) affecting said land recorded within 24 months of the date of this report are as follows:

Grantor:	Colusa Industrial Properties, Inc., a California Corporation, who acquired title as Colusa Industrial Properties, a California Corporation
Grantee:	Colusa Industrial Properties, Inc., a California Corporation
Recorded:	6/26/2018 as Instrument No. <u>2018-0002168</u> , Official Records.
Grantor:	Colusa Industrial Properties, Inc., a California Corporation, who acquired title as Colusa Industrial Properties, a California Corporation
Grantee:	Colusa Industrial Properties, Inc., a California Corporation
Recorded:	7/3/2018 as Instrument No. <u>2018-0002260</u> , Official Records.

Attention

Please note that this preliminary report now has an extra copy of the legal description on a separate sheet of paper. There are no markings on the page. The idea is to provide you with a legal description that can be attached to other documents as needed. That legal description page immediately follows this page.

Thank you for your support of **Orange Coast Title Company**. We hope that this makes your job a little easier.

Exhibit "A"**Parcel 1: (Portion of 017-130-051 and 017-130-052)**

Being a portion of Parcel 7 and all of Parcel 8 of that certain Parcel Map filed in Book 6 of Parcel Maps, at Page 12, Colusa County Records and more particularly described as follows:

All of said Parcel 8 together with the following described property:

Beginning at the Northwesterly corner of said Parcel 8; thence North 24° 04' 42" West along the Westerly line of said Parcel 7, 238.61 feet; thence North 65° 55' 18" East, 280.00 feet to a point on the center line of Davison Drive; thence South 24° 04' 42" East along the centerline of Davison Drive, 280.00 feet; thence South 65° 55' 18" West along the Northerly line of said Parcel 8, 280.00 feet to the Point of Beginning.

Excepting therefrom, all oil, gas, minerals and other hydrocarbon substances lying below a depth of 500 feet from the surface thereof, without the right of surface entry thereto as reserved in the Deed recorded June 8, 1981 in Book 504 Page 449, Official Records.

Said land is also described as Parcel B on that certain Certificate of Compliance – Lot Line Adjustment No. 04-18, recorded on August 22, 2018 as Instrument No. 2018-0002742, Official Records of said County.

Parcel 2: (Portion of 017-130-053)**Parcel A:**

A portion of Parcel Nine as shown on that certain Map on file in Book 6 of Parcel Maps at Page 12, Colusa County Records and lying within the Jimeno Rancho in Township 15 North, Range 1 West, M.D.B. & M., County of Colusa, State of California and more particularly described as follows:

Beginning at the Northwesterly corner of said Parcel 9; thence N 65° 55' 18" E along the Northerly line of said Parcel, 280.00' to the Northeasterly corner of said Parcel 9; thence S 24° 04' 42" E along the Easterly line of said Parcel 9, 168.61'; thence leaving said line S 71° 00' 25" W, 281.11' to the Westerly line of said Parcel; thence N 24° 04' 42" W, 143.70' to the point of beginning.

Parcel B:

An easement for ingress, egress and utilities over the following described property:

Beginning at the Northeasterly corner of said Parcel 9; thence S 24° 04' 42" E along the Easterly line of said Parcel 9, 30.00'; thence N 65° 55' 18" E, 30.00'; thence N 24° 04' 42" W, 39.98' to a point on the South right of way line of Davison Drive; thence Southwesterly and along a curve to right said curve being the South right of way line of Davison Drive to the point of beginning.

Excepting therefrom all oil, gas, minerals and other hydrocarbon substances lying below a depth of 500 feet from the surface thereof, without the right of surface entry thereto, as reserved in the deed recorded June 8, 1981 in Book 504 Page 449, Official Records.

Said land is also described as Parcel B on that certain Certificate of Compliance-Lot Line Adjustment No. 02-18 LLA, recorded on June 26, 2018 as Instrument No. 2018-0002167, Official Records of said County.

Parcel 3: (017-130-072)

A portion of Parcels Three and Four as shown on that certain map on file in Book 6 of Parcel Maps at Page 12, and lying within the Jimeno Rancho in Township 15 North, Range 1 West, M.D.B. & M., County of Colusa, State of California and more particularly described as follows:

Beginning at the Northeasterly corner of said Parcel Three, said point being on the Westerly line of State Highway 20; thence S 24° 04' 42" E, along the Easterly line of said Parcel Three, a distance of 362.30 feet; thence S 18° 56' 04" E, along the Westerly line of that certain Parcel conveyed to the State of California in that certain document on file as Document Number 2006-0004595, a distance of 204.94 feet; thence S 24° 04' 38" E, along said Westerly line, a distance of 79.45'; thence S 71° 00' 25" W, 262.66 to a point on the Easterly line of Parcel 9 as shown on that certain map on file in Book 6 of Parcel Maps at Page 12, thence N 24° 04' 42" W along the Easterly line of said Parcel 9, 168.61' to the Northwesterly corner of said Parcel 4; thence along a non tangent curve to the left with a chord bearing of N 1° 26' 39" E, a chord distance of 90.24', an arc distance of 112.54' and a radius of 50.00'; thence along a tangent reverse curve to the right with a radius of 40.00' and arc length of 27.19'; thence N 24° 04' 42" W along the Westerly

line of said Parcel 3, 347.39 to the Northwesterly corner of said Parcel 3; thence N 65° 55' 18" E along the Northerly line of said Parcel 3, 249.99' to the point of beginning.

Together with the Easterly half of the strips of lands known as Davidson Drive contiguous to the above described property.

Excepting therefrom all oil, gas, minerals and other hydrocarbon substances lying below a depth of 500 feet from the surface thereof, without the right of surface entry thereto, as reserved in the deed recorded June 8, 1981 in Book 504 Page 449, Official Records.

Said land is also described as Parcel A on that certain Certificate of Compliance-Lot Line Adjustment No. 02-18 LLA, recorded on June 26, 2018 as Instrument No. 2018-0002167, Official Records of said County.

Assessor's Parcel Numbers(s):

- 1: 017-130-051
- 1: 017-130-052
- 1: 017-130-053
- 1: 017-130-072

Recording Requested By
And When Recorded Return To:

THE CITY OF COLUSA
425 Webster St.
Colusa, CA 95932
Attention: City Clerk

Space above this line for
Recorder's use.

NOTICE OF TERMINATION OF DEVELOPMENT AGREEMENT

THIS NOTICE OF TERMINATION is dated as of August 20, 2024, and is executed by Compass Leaf ("Landowner") and City of Colusa, a municipal corporation ("City").

A. The City is party to that certain City of Colusa and Compass Leaf Development Agreement, dated as of October 24, 2018, recorded on November 19, 2018, in the Official Records of the Recorder's Office of Colusa County, California as Instrument No. 2022-2174 (the "Development Agreement"), which created certain duties, obligations, and easements affecting the land described in Exhibit A attached hereto and incorporated herein by this reference (the "Property"), commonly known as Compass Leaf. Unless otherwise defined herein, all capitalized terms used in this Termination Notice shall have the meanings ascribed to them in the Development Agreement.

B. Landowner no longer desires to use the Property for cannabis business uses and pursuant to Section 17 of the Development Agreement, Landowner and City now mutually agree to termination of the Development Agreement.

C. Landowner and City have mutually approved this Notice of Termination as to the Development Agreement, and pursuant to the terms of the Development Agreement have authorized recording of this Notice of Termination releasing Landowner and the Property from the Development Agreement.

LANDOWNER:
Compass Leaf

By: 
Kyu Kim

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF COLUSA

}
}

On August 09 2024 before me, T. Samson, Notary

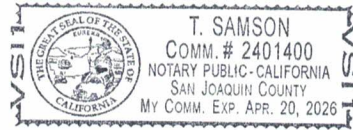
(insert name and title of the officer)

personally appeared KYU Sung Kim, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

T. Samson
Signature of Notary



CITY OF COLUSA

By: _____
Daniel Vaca, Mayor

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA }
COUNTY OF COLUSA }

On _____ before me, _____

(insert name and title of the officer)

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary

Exhibit A

LEGAL DESCRIPTION OF PROPERTY

THIS MAP SHOULD BE USED FOR REFERENCE PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. PARCELS MAY NOT COMPLY WITH LOCAL SUBDIVISION OR BUILDING ORDINANCES.

Item 1.

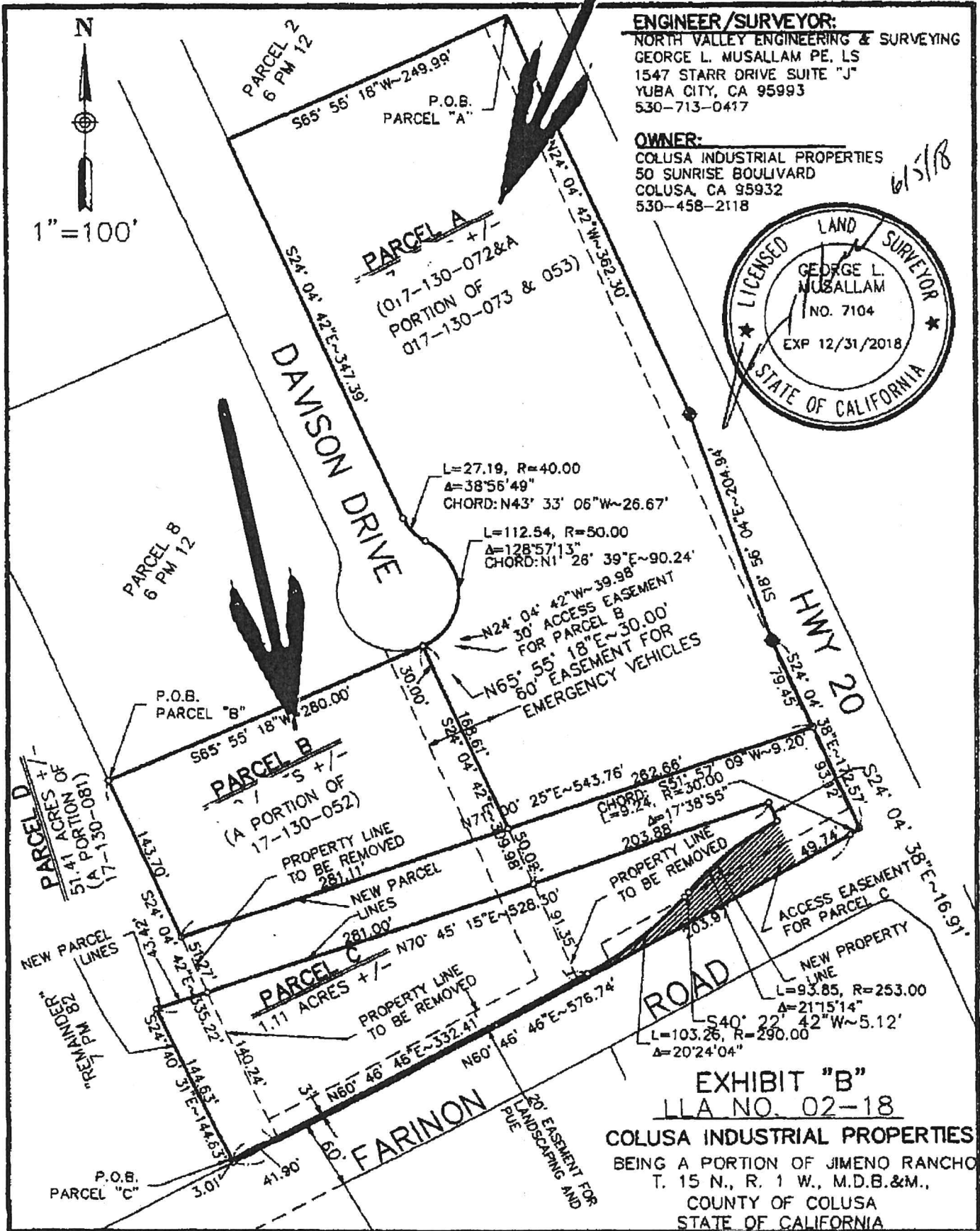
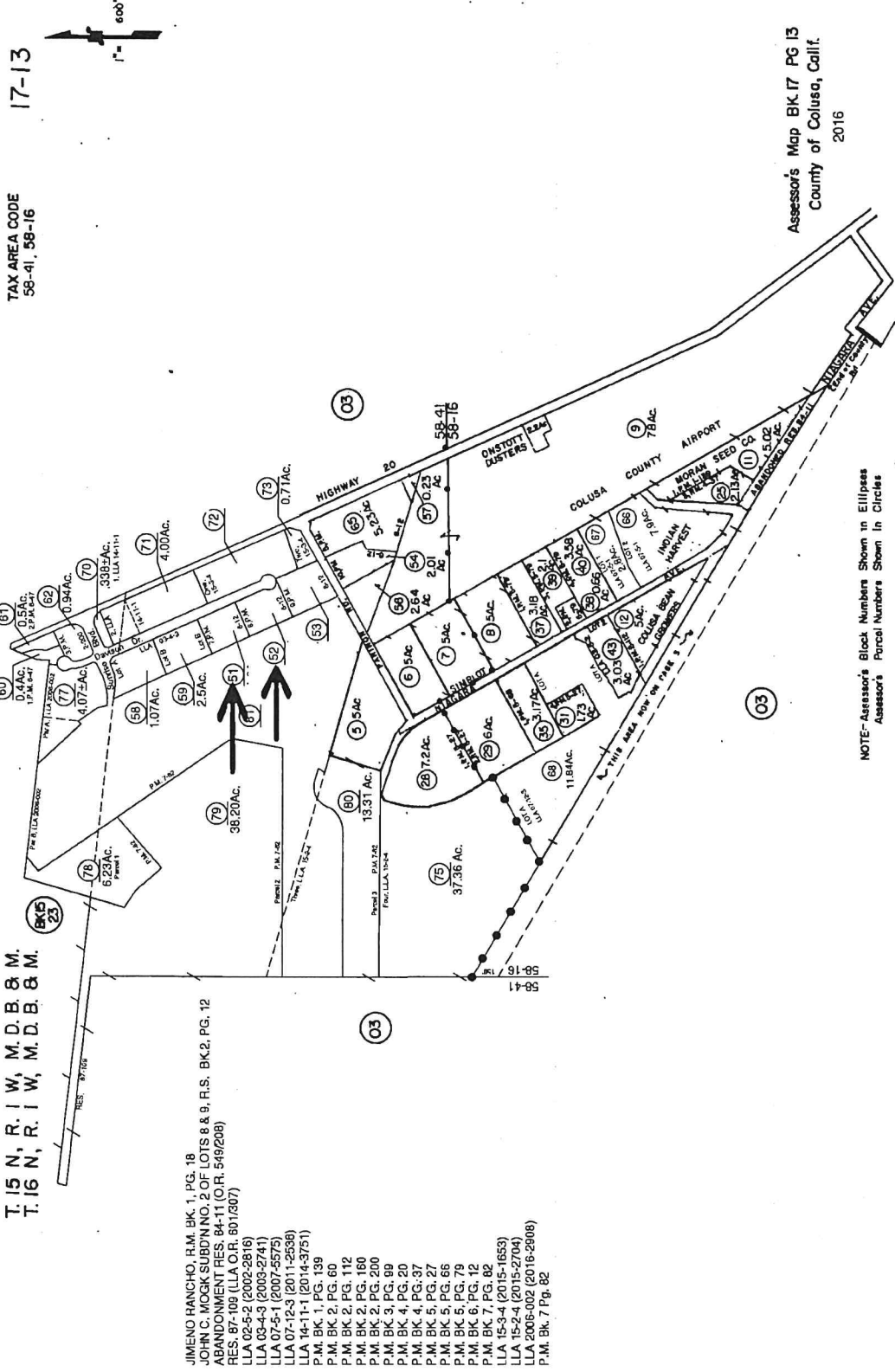


EXHIBIT "B"
 LLA NO. 02-18

COLUSA INDUSTRIAL PROPERTIES
 BEING A PORTION OF JIMENO RANCHO
 T. 15 N., R. 1 W., M.D.B. & M.,
 COUNTY OF COLUSA
 STATE OF CALIFORNIA

THIS MAP SHOULD BE USED FOR REFERENCE PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. PARCELS MAY NOT COMPLY WITH LOCAL SUBDIVISION OR BUILDING ORDINANCES.



TAX AREA CODE
58-41, 58-16

17-13

T. 15 N., R. 1 W., M.D.B. 8 M.
T. 16 N., R. 1 W., M.D.B. 8 M.

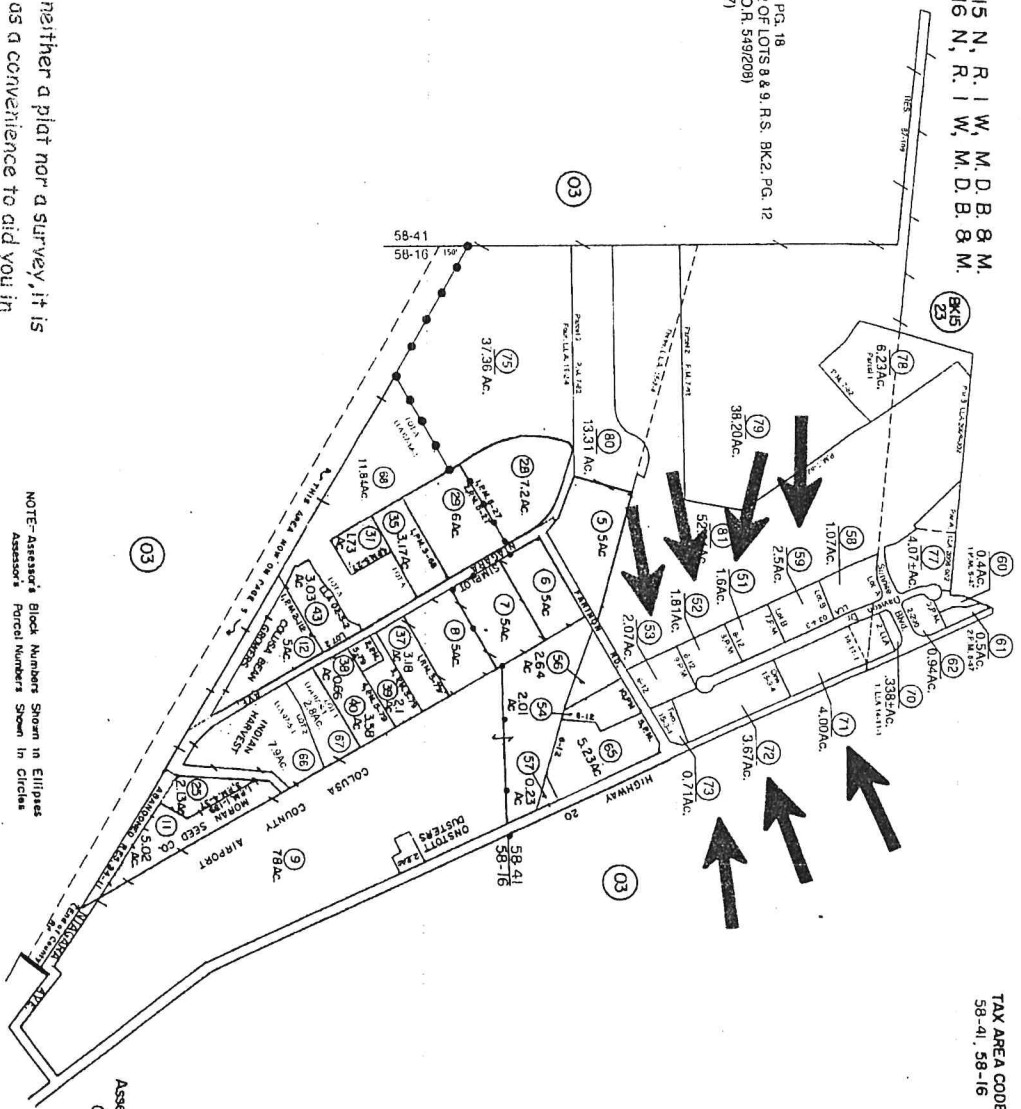
- JIMENO RANCHO, R.M. BK. 1, PG. 18
- JOHN C. MOGK SUBDN NO. 2 OF LOTS 8 & 9, R.S. BK.2, PG. 12
- ABANDONMENT RES. 84-11 (O.R. 549/208)
- RES. 87-109 (LLA O.R. 801/207)
- LLA 02-5-2 (2002-2816)
- LLA 03-4-3 (2003-2741)
- LLA 07-5-1 (2007-5575)
- LLA 07-12-3 (2011-25398)
- LLA 14-11-1 (2014-37551)
- P.M. BK. 1, PG. 139
- P.M. BK. 2, PG. 60
- P.M. BK. 2, PG. 112
- P.M. BK. 2, PG. 180
- P.M. BK. 2, PG. 200
- P.M. BK. 2, PG. 68
- P.M. BK. 4, PG. 20
- P.M. BK. 4, PG. 37
- P.M. BK. 5, PG. 27
- P.M. BK. 5, PG. 66
- P.M. BK. 5, PG. 79
- P.M. BK. 7, PG. 12
- P.M. BK. 7, PG. 82
- LLA 15-3-4 (2015-1653)
- LLA 15-2-4 (2015-2704)
- LLA 2005-002 (2016-2806)
- P.M. BK. 7 PG. 82

NOTE- Assessor's Block Numbers Shown in Ellipses
Assessor's Parcel Numbers Shown in Circles

THE OFFICIAL RECORDS ARE KEPT AT THE COUNTY CLERK'S OFFICE IN COLUSA, CALIFORNIA. THE OFFICIAL RECORDS ARE KEPT AT THE COUNTY CLERK'S OFFICE IN COLUSA, CALIFORNIA.

T.15 N., R.1 W., M.D.B. 8 M.
T.16 N., R.1 W., M.D.B. 8 M.

- JIMENO RANCHO, R.M. BK. 1, PG. 18
- JOHN C. MOGK SUBDN NO. 2 OF LOTS 8 & 9, R.S. BK2, PG. 12
- ABANDONMENT RES. 94-11 (O.R. 549208)
- RES. 87-108 (L.A.O.R. 801207)
- LLA 02-5-4 (2002-2816)
- LLA 03-4-3 (2003-2741)
- LLA 07-5-1 (2007-5575)
- LLA 07-12-3 (2011-2536)
- LLA 14-11-1 (2014-3751)
- P.M. BK. 1, PG. 139
- P.M. BK. 2, PG. 112
- P.M. BK. 2, PG. 60
- P.M. BK. 2, PG. 160
- P.M. BK. 2, PG. 200
- P.M. BK. 3, PG. 98
- P.M. BK. 4, PG. 37
- P.M. BK. 5, PG. 27
- P.M. BK. 5, PG. 66
- P.M. BK. 6, PG. 12
- P.M. BK. 7, PG. 82
- LLA 15-3-4 (2015-1633)
- LLA 15-2-4 (2015-2704)
- LLA 2006-002 (2015-2908)
- P.M. BK. 7, PG. 82



TAX AREA CODE
58-41, 58-16

17-13



NOTICE... This is neither a plat nor a survey, it is furnished merely as a convenience to aid you in locating the land indicated hereon with reference to streets and other land. No liability is assumed by reason of any reliance hereon.

NOTE- Assessor's Block Numbers Shown in Ellipses
Assessor's Parcel Numbers Shown in Circles

Assessor's Map BK 17 PG 13
County of Colusa, Calif.
2016



City of Colusa California

STAFF REPORT

DATE: August 20, 2024

TO: City Council – Public Hearing Regarding Westcott Subdivision, General Plan Amendment, Rezone and Development Agreement

FROM: David Swartz, City Engineer
Jake Morley, Planning Consultant

AGENDA ITEM: City Council to hold a public hearing for the Wescott Subdivision which involves a General Plan Amendment, Rezone, Tentative Subdivision Map and a Development agreement and to hold an introductory reading regarding Rezone.

Report in Brief: The project involves two parcels totaling approximately 90.95 acres on existing R1- Single Family Residential zoned land, east of Wescott Road and west of the Sunrise Landing Subdivision and south of Brentwood Road. The proposal includes the following main components:

1. A General Plan Amendment and Rezone to change the current land use designation from R1- Single Family Residential, to a variety of land uses to include R1-Single Family Residential zoning with a PD Planned Development Overlay, R2-Two Family Housing Residential zoning with a PD Planned Development Overlay, R3-Neighborhood Apartment Housing zoning with a PD Planned Development Overlay, CP Commercial Professional District zoning with a PD Planned Development Overlay, OS - Open Space zoning and finally PR Park - Recreation zoning.
2. A Tentative Subdivision Map to include the division of land into 170 Single Family lots, 53 Two Family Lots, 1 Neighborhood Apartment lot totaling 7.45 acres, 1 Commercial lot totaling 1.17 acres, 1 park lot totaling 3.51 acres and 2 Open Space lots totaling 14.03 acres.
3. The request also contains an application for a Development Agreement.

Recommendation: The Planning Commission and Staff recommends that the City Council hold a public hearing on the proposed amendments and adopt the Resolution (**Attachment 1**) and introduce the Ordinance (**Attachment 2**) by reading its title only:

Resolution of the City Council of the City of Colusa: 1) adopting a modified mitigated negative declaration; 2) approving a General Plan Amendment, and 3) approving a Tentative Subdivision Map (Wescott Subdivision)

Ordinance of the City Council of the City of Colusa approving a Development Agreement and rezoning property identified as Assessor's Parcel Nos. 017-130-107 and 017-130-050 (Portion of) from R-1 (Single family residential district) to R-1/PD (Single Family Residential District/Planned Development), R-2/PD (Two-Family Residential District/Planned Development), R-3/PD (Neighborhood Apartment district/Planned Development), CM/PD (Commercial/Planned Development), O-S (Open Space District) and P-F (Public facility/Park District) (Westcott Subdivision)

BACKGROUND:

Currently the subject site is vacant with no structural improvements (**Attachment 3 – Location Aerial**). The site is routinely utilized for agricultural activities, typically tomatoes. When not in production, the site is routinely mowed and tilled to minimize weeds and prepare the site for the next planting season.

In the 2007 General Plan, the subject site is noted as an Urban Reserve. In 2021 the subject site was annexed to the City with a R1-Single Family Residential zoning designation (Resolution 2021-004). Recently, the applicant brought forward a conceptual plan to the Planning Commission to receive comments on a project design that only accommodated single-family lots for the entire 90-acre site. After feedback from the Planning Commission to incorporate a variety of land use into the boundary of the site, the applicant modified the map and formally applied, which included a mix of residential densities, a commercial parcel and both open space and park lands.

General Plan Amendment and Rezone

The request includes changing the General Plan and zoning to the following designations:

Zoning District	Permitted Density	Total Acres	Parcel Size Range (Total)	Density/Unit Potential
R-1/PD Single Family Residential - Planned Development Overlay	3-8 units per acre	46.54	6,534 sq.ft to 16,988 sq.ft. (170)	3.6/170
R-2/PD Two Family Residential – PD Planned Development Overlay	8-12 units per acre	16.27	8,712 sq.ft. to 21,780 sq.ft (53)	7.9 to 11.98 units per acre or 130 to 195 total units
R-3/PD Neighborhood Apartment Planned Development Overlay	12-20 units per acre	7.45	7.45	12 to 20 units per acre or 89 to 149 total units
CP/PD Commercial Professional District - Planned Development Overlay	None	1.17	1.17	None
OS Open Space	None	3.31	3.31	None
PR Park Recreation	None	14.03	14.03	None

Tentative Subdivision Map

The Applicant is proposing to subdivide the property into one hundred and seventy (170) single-family residential lots, fifty-three (53) two family residential lots, one (1) 7.45-acre neighborhood apartment parcel lot, one (1) 14.03-acre Open Space parcel, one (1) 3.51-acre Park parcel, and one (1) 1.17-acre Commercial parcel. The layout of the project, as noted on the Tentative Subdivision Map prepared by North Valley Engineering and Survey (**Tentative Subdivision Map, Attachment 1, Exhibit III**) illustrates that access the Project Site will be from Kittyhawk Drive and Sunrise Boulevard from the east, which will extend through the subdivision and connect to Wescott Boulevard, which runs along the western

boundary of the entire project boundary.

Two new additional streets, Streets “G” and “I”, will connect to Wescott Boulevard. Street “I” will connect through the entire length of the boundary and be stubbed out for future connection to a vacant 13-acre parcel. Internally, Streets “A”, “C”, “F”, “H”, “J,” and “K” connect to one another or connect to Kittyhawk Drive and Sunrise Boulevard. Streets “B”, “D” and “L” are cul-de-sacs within the subdivision.

Planning Commission

At the June 26, 2024, the City of Colusa Planning Commission conducted a public hearing and voted (4-0) (**Attachment 5**) to forward a recommendation to the City Council to adopt a resolution recommending the City Council adopt a mitigated negative declaration and approve General Plan Amendment, Rezone, Tentative Subdivision and Amendment to a Development Agreement.

During the hearing the Planning Commission discussed various aspects of the project and recommended modifications and additions to the Conditions of Approval, which are noted in **Attachment 1 Exhibit IV** and are underlined.

Colusa County Airport Land Use Commission

At the March 4, 2024, the Colusa County Airport Land Use Commission (ALUC) the proposal to amend the General Plan, Rezone the property, and subdivided the site into residential lots was found to be in compliance with the 2014 Colusa County Airport Land Use Compatibility Plan (ALUCP) in that the proposed changes are consistent with the C1 and C3 Compatibility Zones subject to ALUC conditions of approval (**Attachment 1, Exhibit V**).

DISCUSSION AND ANALYSIS:

General Plan

Re-designating and rezoning the subject property from R-1 Single Family Residential to a variety of residential densities and land uses, commercial, open space and park land would not only increase the opportunity for both home ownership, but rental opportunities as well. With both commercial, open space and park land in the project, the site would be considered mixed use and can accommodate needs of the future residences. The layout of the map takes into consideration the existing single-family subdivisions to the north and east, by placing new single families next to them. The design also accommodates and is compatible with the Colusa County Airport Land Use Plan in that open space is placed in a manner to minimize crop dusters who generally fly across this portion of the land when leaving the airport located to the east.

The following General Plan Goals, Policies and Actions are applicable to the project:

Goal HSG-1: To provide a continuing supply of affordable housing to meet the needs of existing and future Colusa residents in all income categories.

Policy HSG 1.1: The City shall enforce its land use policies that allow residential growth to

be accommodated with a variety of housing types within a range of densities.

Policy HSG 1.3: The City shall ensure that adequate infrastructure and public services are available prior to approval of developments projects within the City.

Policy HSG 1.4: The City shall provide for future (long-term) regional housing needs by maintaining an adequate supply of developable land for all housing types and affordability levels.

Policy HSG 1.5: The City shall encourage the production of for-sale and rental housing units that will provide a variety of housing type, tenure and density—at all levels of affordability.

Policy HSG 1.6: The City shall promote more intensive residential development of vacant and underutilized land contiguous to existing development, particularly within walking distance of downtown Colusa, in order to reduce the cost of off-site improvements and create a compact City form.

Policy HSG 5.1: The City shall maintain sufficient capacity in the appropriate land use districts to allow for the Regional Housing Needs Allocation.

Policy HSG 5.2: The City shall maintain sufficient multi-family designated land use and zoning districts to provide sufficient capacity for the low- and very low-income housing needs.

Policy HSG 7.4: The City shall continue to encourage innovative housing types, site planning and mixed-use developments.

Policy LU 5.1: Development patterns shall tier off of existing development and avoid leap-frogging, including areas intended for annexation that are presently outside the city limits.

Policy LU 5.2: Development patterns shall extend primarily from Highways 20 and 45. To the extent feasible, initial phases of new developments shall begin as close as possible to existing urban areas.

Policy LU-6.1: Growth shall provide a strong diversified economic base and a reasonable balance between employment and housing for all income groups.

Policy LU-6.3: Growth shall be managed to ensure that adequate public facilities and services are planned for and provided in a manner that protects the public's health, safety, and welfare.

Policy N-1.8: The City shall protect Colusa residents from noise related to the Colusa County Airport operations.

Policy CCD-3.2: New development street patterns shall minimize distances to adjacent neighborhoods and avoid a concentration of vehicles associated with internal neighborhood trips.

Policy CCD-3.3: Neighborhoods shall be designed with a street pattern that allows for multiple routes through a neighborhood and greater opportunities for pedestrian movement.

Policy CCD-3.4: The City shall encourage and promote neighborhood design that provides pedestrian and bicyclist connectivity to community civic areas, schools, parks, workplaces, and commercial areas.

Planned Development

Colusa Municipal Code (CMC) Appendix A - Article 15 – PD Planned Development Districts governs the regulations and general rules of a PD Planned Development District, which is an overlay zone that could be placed upon any zoning district.

This code section permits deviations from development standards, including lot sizes and lot widths, which are incorporated into the Wescott Tentative Subdivision Map. In this instance, the PD would permit deviations from lot size standards for the 170 single family lots. Colusa Municipal Code Article 5 – R-1 Single Family Residence District requires single family lots to have an 8,000 square foot lot area and be 80 feet wide by 100 feet deep. As illustrated on the tentative subdivision map, lots within the R-1/PD portion of the project vary in lot width, depth and overall square footage. With the smallest frontage being 59.54 (lot 166) and the shortest depth being 109. Lot square footages vary as well with the smallest lot being 6,969 square feet (lot 170) and the largest containing 16,988 square feet (lot 81).

Regarding future development located in the R-2/PD (Two-Family Residential District/Planned Development), R-3/PD (Neighborhood Apartment district/Planned Development), CM/PD (Commercial/Planned Development) zoning districts, the CMC requires that a major use permit be secured from the Planning Commission.

FINDINGS

The required findings for adopting the Modified Initial Study/Mitigated Negative Declaration and the proposed General Plan Amendment, Rezone, Tentative Subdivision Map are provided as part of the City Council Resolution and Ordinance and Resolution (**Attachment 1 and Attachment 2**).

PUBLIC CONTACT AND ENVIRONMENTAL REVIEW

A 10-day public hearing notice was mailed to all landowners and residence within 300 feet of the site, and a legal notice was published in the Pioneer Review on August 9, 2024 and August 16, 2024.

For the Planning Commission hearing on May 20, 2024, a 30-day public hearing notice was mailed to all landowners and residents within 300 feet of the site, and a legal notice was published in Pioneer Review. Tribal Consultation was completed in compliance with AB 52 and SB18 as part of the California Environmental Quality Act review.

Based on the results of an Initial Study, Mitigated Negative Declaration (SCH Number 2024051104) was prepared for the project and circulated for a 30-day comment period,

commencing on May 23, 2024, and ending on June 26, 2024. Due to the length of the document and supporting analysis, the IS/MND is incorporated into this document as a reference; it can be accessed online at: <https://cityofcolusa.com/public-notices/>. Written comments received during the comment period are incorporated into the response to comments (**Attachment 4**). As a response to comments substitute language was added to the IS/MND and incorporated into a modified Mitigation Monitoring Reporting Program as part of **Attachment 1 Exhibit IV**.

BUDGET IMPACT

None Expected – Developer Funded

ATTACHMENTS

1. Resolution of the City Council
 - Exhibit I – Modified Mitigation Monitoring Reporting Plan
 - Exhibit II – General Plan Amendment Plat
 - Exhibit III – Wescott Tentative Subdivision Map
 - Exhibit IV – Modified Conditions of Approval
 - Exhibit V – ALUC Conditions of Approval
2. Ordinance of the City Council
 - Exhibit I – Rezone Plat
 - Exhibit II – Development Agreement
3. Location Aerial
4. Response to Written Comments
5. Planning Commission Resolution No. 24-_____

RESOLUTION NO. _____

RESOLUTION OF THE CITY OF COLUSA CITY COUNCIL ADOPTING A MODIFIED MITAGATED NEGATIVE DECLARATION, APPROVING A GENERAL PLAN AMENDMENT AND APPROVING A TENTATIVE SUBDIVISION MAP (Westcott Subdivision)

BE IT RESOLVED, By the City Council of the City of Colusa (“City”), that

WHEREAS, this Council, has considered a General Plan Amendment to change the land use designations on 69.23 acres from Low Density Residential to Medium High Residential Density on 1627 acres, High Residential Density 7.45 acres, Commercial Professional on 1.17 acres, Parks/Recreation/Open Space on 17.34 acres on property identified as Assessor’s Parcel Nos. 017-130-107 and 017-130-050 (portion of); and

WHEREAS, in addition to the General Plan Amendment, the applicant is also requesting a Tentative Subdivision Map and a Development Agreement (“the Project”) to reflect the land use changes as approved; and

WHEREAS, The Planning Commission considered the Project, staff report, and comments submitted at a noticed public hearing held on June 26, 2024, and recommended adoption of a negative declaration and approval of the Project as modified; and

WHEREAS, the City Council has considered the Initial Study and mitigated negative declaration which concludes that the Project will not result in a significant impact on the environment.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF COLUSA DOES HEREBY RESOLVE:

1. With regard to the mitigated negative declaration the City Council finds that:
 - a. A modified mitigated negative declaration as set forth in Exhibit I attached hereto are appropriate and will substantially reduce or avoid the described environmental impacts to a less than significant level if included as part of the Project; and
 - b. There is no substantial evidence supporting a fair argument that the Project may have a significant effect on the environment; and
 - c. The modified mitigated negative declaration has been prepared in conformance with the California Environmental Quality Act and Colusa Municipal Code 17-10; and
 - d. The modified mitigated negative declaration prepared for the Project reflects the independent judgement of the City of Colusa

2. With regards to the General Plan Amendment the City Council finds that;

- a. The General Plan will remain internally consistent because the proposed land designation amendment from Low Density to Low Density, Medium Density, High Density, Commercial, Open Space and Park would result in designations that are compatible with the surrounding areas as well as the Colusa County Airport Land Use Compatibility Plan, specifically based upon their location within the boundary of the project. With Low Density abutting existing Low Density. The park area is intermixed in an accessible location for all future residence, while Open Space corridor is placed to acknowledge crop dusters who leave the airport and fly out to the west (N-1.7). The change in lands uses designations permits the city to provide additional holding capacity for a variety of housing types (HSG: 1, HSG: 1.1, HSG: 1.4, HSG: 5.1, HSG: 5.2, HSG: 7.4). The location of the project is with existing infrastructure and access to goods and services (LU: 6.1, LU: 6.3), while intensifying the existing boundary of the city between Highway 20 and 45 (LU: 5.2). The layout of the various land designations and its associated road network creates a street pattern that permits multiple routes in an out of the area and promotes pedestrian connectivity through bicycle paths (CCD-3.2, CCD-3.3 and CCD-3.4).
 - b. There are no physical or environmental constraints on the property which would prohibit use of the site as Low Density, Medium Density, High Density, Commercial, Open Space or Park land use designations. The proposed designations are consistent with the surrounding land uses as discussed above. Utilities and infrastructure are present and stubbed to the site to the north, west and east.
3. With regards to the tentative subdivision map the City Council finds that:
- a. That the proposed subdivision, together with the provisions for its design and improvements, is consistent with the Subdivision Map Act, the General Plan and all applicable provisions of the Colusa Municipal Code as well as the Conditions of Approval.
4. Based on all of the above, the City Council hereby:
- a. Adopts the modified mitigation monitoring reporting plan as set forth in Exhibit I, attached hereto;
 - b. Amends the General Plan land use diagram for APNs 017-130-107 and 017-030-050 (portion of) as set forth in Exhibit II, attached hereto; and
 - c. Approves the Tentative Subdivision Map as set forth in Exhibit III, attached hereto; and
 - d. Approves the modified Conditions of Approval as set forth in Exhibit IV, attached hereto; and

- e. Incorporates the ALUC Conditions of Approval as set forth in Exhibit V, attached hereto.
- 5. The City Council hereby specifies that the materials and documents which constitute the records of proceedings upon which its decisions are based upon are located and under the custody of the City of Colusa.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

Passed and adopted this 20th day of August 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

DANIEL VACA, MAYOR

Shelly Kittle, City Clerk

INTRODUCTION

As part of the CEQA environmental review procedures, Section 21081.6 requires a public agency to adopt a monitoring and reporting program to ensure efficacy and enforceability of any mitigation measures applied to the proposed project. The lead agency must adopt an MMRP for mitigation measures incorporated into the project or proposed as conditions of approval. The MMRP must be designed to ensure compliance during project implementation. As stated in Section 21081.6 (a) (1):

The public agency shall adopt a reporting or monitoring program for the changes made to the project or conditions of project approval, adopted in order to mitigate or avoid significant effects on the environment. The reporting or monitoring program shall be designed to ensure compliance during project implementation. For those changes which have been required to be incorporated into the project at the request of a responsible agency or a public agency having jurisdiction by law over natural resources affected by the project, that agency shall, if so requested by the lead agency or a responsible agency, prepare and submit a proposed reporting or monitoring program.

MITIGATION MONITORING AND REPORTING PROGRAM

The MMRP, as outlined in the following table, describes mitigation timing, monitoring responsibilities, and compliance verification responsibility for all mitigation measures identified in Initial Study.

The City of Colusa will be the primary agency, but not the only agency responsible for implementing the mitigation measures. In some cases, the City or other public agencies will implement measures. In other cases, the project applicant will be responsible for implementation of measures and the City’s role is exclusively to monitor the implementation of the measures. In those cases, the project applicant may choose to require the construction contractor to implement specific mitigation measures prior to and/or during construction. The City will continue to monitor mitigation measures that are required to be implemented during the operation of the project.

The MMRP is presented in tabular form on the following pages. The components of the MMRP are described briefly below:

Mitigation Measures: The mitigation measures are taken from the Mitigated Negative Declaration in the same order that they appear in the Initial Study.

Mitigation Timing: Identifies at which stage of the project mitigation must be completed.

Monitoring Responsibility: Identifies the department within the City, project applicant, or consultant responsible for mitigation monitoring.

Compliance Verification Responsibility: Identifies the department of the City or other State agency responsible for verifying compliance with the mitigation. In some cases, verification will include a contract with responsible state and federal agencies.

**TABLE 4.0-1
MITIGATION MONITORING AND REPORTING PROGRAM**

Proposed Mitigation	Monitoring Responsibility	Timing	Verification (Date and Initials)
1. AESTHETICS			
AESH-1: To minimize over lighting and to provide for a quality-built environment. Outdoor lighting placed on structures, within parking lots, along	<i>City of Colusa, Building and Planning Departments</i>		

MITIGATION AND MONITORING REPORTING PROGRAM

Proposed Mitigation	Monitoring Responsibility	Timing	Verification (Date and Initials)
trails or within the public right of way, shall be dark sky compliant, directed downward and contain cut offs to minimize excessive source of light and glare. Future building plan and improvement plan submittals shall indicate and provide details on the type of lighting, location, height, size and intensity.		<i>Building and improvement plans for the site shall indicate compliance with the mitigation measure prior to issuance of a building permit.</i>	
2. AIR QUALITY			
AIR 1: All offroad equipment of greater than 50 horsepower used in Project construction shall be CARB Tier 4 Certified, as set forth in Section 2423 of Title 13 of the California Code of Regulations, and Part 89 of Title 40 of the Code of Federal Regulations	<i>The City of Colusa Building and Planning Departments, Colusa County Air Pollution Control District</i>	<i>Prior to issuance of a building permit. Building and improvement plans for the site shall indicate compliance with the mitigation measure prior to issuance of a building permit</i>	
AIR-2: The Project prohibits the installation, construction, or use of wood stoves and fireplaces in all proposed residential units within the Project Site. Hearths will be limited to natural gas-fueled fireplaces.	<i>The City of Colusa Building and Planning Departments, Colusa County Air Pollution Control District</i>	<i>Prior to issuance of a site related improvement permits, such as grading.</i>	
3. BIOLOGICAL RESOURCES			
<p>BIO 1: The developer shall implement the following measures to minimize potential impacts on biological resources, including special status bird species:</p> <p>Western Red Bat</p> <ul style="list-style-type: none"> • Mature trees should be removed and/or fallen between September 16 – March 15 outside of the bat maternity season. Trees should be removed at dusk to minimize impacts to roosting bats. • If tree removal cannot be performed outside of the maternity season, a qualified biologist shall conduct a preconstruction survey of suitable roosting habitat within 7 days prior to construction activities. <p>Swainson’s Hawk</p> <ul style="list-style-type: none"> • A protocol-level nesting raptor survey shall be conducted within 7 days prior to the initiation of Project activities to determine the presence or absence of active SWHA nests within the BSA or within 500 feet of the Project boundary, where feasible. If an active SWHA nest is found, no work 	<p><i>Prior to issuance of grading permits or improvement plans, City staff shall verify that Mitigation wording is included on construction or grading plans, or the compliance completed prior to City permit issuance. Letter reports shall be maintained, as applicable, by Planning staff throughout construction.</i></p>	<p><i>Prior to issuance of grading permits or improvement plans and on-going during all construction related activities.</i></p>	

Proposed Mitigation	Monitoring Responsibility	Timing	Verification (Date and Initials)
<p>should occur within 250 feet of the active nest and CDFW shall be consulted.</p> <p>Migratory Birds and Raptors</p> <p>To avoid impacts to avian species protected under the Migratory Bird Treaty Act and the CFGC the following are recommended avoidance and minimization measures for migratory birds and raptors:</p> <ul style="list-style-type: none"> • Project activities including site grubbing and vegetation removal shall be initiated outside of the bird nesting season (February 1 – August 31). • If an active nest (i.e. containing egg(s) or young) is observed within the BSA or in an area adjacent to the BSA where impacts could occur, then a species protection buffer will be established. The species protection buffer will be defined by the qualified biologist based on the species, nest type and tolerance to disturbance. Construction activity shall be prohibited within the buffer zones until the young have fledged or the nest fails as determined by a qualified biologist. Nests shall be monitored by a qualified biologist once per week and a report submitted to the CEQA lead agency weekly. 			
5. CULTURAL RESOURCES			
<p>CULT 1-: A note shall be placed on all grading and construction plans which informs the construction contractor that if any bones, pottery fragments or other potential cultural resources are encountered during construction, all work shall cease within the area of the find pending an examination of the site and materials by a professional archaeologist. If during ground disturbing activities, any bones, pottery fragments or other potential cultural resources are encountered, the developer or their supervising contractor shall cease all work within the area of the find and notify Planning staff at (530) 458-4740. A professional archaeologist who meets the Secretary of the Interior's Professional Qualification Standards for prehistoric and historic archaeology and who is familiar with the archaeological record of Colusa County, shall be retained by the applicant to evaluate the significance of the find.</p> <p>Site work shall not resume until the archaeologist conducts sufficient research, testing and analysis of the archaeological evidence to make a determination that the resource is either not cultural in origin or not potentially significant. If a potentially significant resource is encountered, the archaeologist shall prepare</p>	<p>City of Colusa Planning Department</p>	<p><i>Prior to issuance of grading permits or improvement plans, City staff shall verify that Mitigation wording is included on construction or grading plans, prior to City permit issuance. Letter reports shall be maintained, as applicable, by Planning staff throughout construction.</i></p> <p><i>On going during ground disturbance activities.</i></p>	

MITIGATION AND MONITORING REPORTING PROGRAM

Proposed Mitigation	Monitoring Responsibility	Timing	Verification (Date and Initials)
<p>a mitigation plan for review and approval by the City of Colusa Staff, including recommendations for total data recovery, Tribal monitoring, disposition protocol, or avoidance, if applicable. All measures determined by the City Staff to be appropriate shall be implemented pursuant to the terms of the archaeologist’s report. The preceding requirement shall be incorporated into construction contracts and plans to ensure contractor knowledge and responsibility for proper implementation.</p>			
<p>CULT-2: If archaeological resources are encountered during construction, work shall be temporarily halted in the vicinity of the discovered materials and a qualified archaeologist and the City of Colusa shall notify all the local tribe on the consultation list maintained by the State of California Native American Heritage Commission, to provide local tribes the opportunity to monitor evaluation of the site. Workers shall avoid altering the materials and their context until a qualified professional archaeologist, in collaboration with the local tribes, has evaluated the situation and provided appropriate recommendations. Project personnel shall not collect cultural resources. [Native American resources include chert or obsidian flakes, projectile points, mortars, and pestles; and dark friable soil containing shell and bone dietary debris, heat-affected rock, or human burials. Historic-period resources include stone or adobe foundations or walls; structures and remains with square nails; and refuse deposits or bottle dumps, often located in old wells or privies.</p>	<p>City of Colusa Planning Department</p>	<p>Prior to issuance of grading permits or improvement plans, City staff shall verify that Mitigation wording is included on construction or grading plans, prior to City permit issuance. Letter reports shall be maintained, as applicable, by Planning staff throughout construction.</p> <p>On going during ground disturbance activities.</p>	
<p>CULT-3: Any identified cultural resources shall be recorded on DPR 523 historic resource recordation forms by a qualified archaeologist, available online from the Office of Historic Preservation’s website: http://ohp.parks.ca.gov/default.asp?page_id=1069.</p>	<p>City of Colusa Planning Department</p>	<p>On going during ground disturbance activities.</p>	
<p>7. GEOLOGY AND SOILS</p>			
<p>GEO-1: In the event that fossils or fossil-bearing deposits are discovered during anticipated future residential construction on-site, the contractor shall notify a qualified paleontologist to examine the discovery and excavations within 50 feet of the find shall be temporarily halted or diverted. The area of discovery shall be protected to ensure that fossils are not removed, handled, altered, or damaged until the Site is properly evaluated and further action is determined. The paleontologist shall document the discovery as needed, in accordance with Society of Vertebrate Paleontology standards (Society of Vertebrate Paleontology 1995), evaluate the potential resource, and assess the significance</p>	<p>City of Colusa Planning Department.</p>	<p>On going during ground disturbance activities</p>	

Proposed Mitigation	Monitoring Responsibility	Timing	Verification (Date and Initials)
<p>of the finding under the criteria set forth in CEQA Guidelines Section 15064.5. The paleontologist shall notify the appropriate agencies to determine procedures that would be followed before construction is allowed to resume at the location of the find. If the project proponent determines that avoidance is not feasible, the paleontologist shall prepare an excavation plan for mitigating the effect of the project based on the qualities that make the resource important. The plan shall be submitted to the Board of Directors for review and approval prior to implementation</p>			

9. HAZARDS AND HAZARDOUS MATERIALS

<p>HAZ-1: Leaks, drips, and spills of hydraulic fluid, oil, or fuel from construction equipment shall be promptly cleaned up to prevent environmental contamination, including contamination of waterways. All workers shall be properly trained in the prevention and clean-up of spills of contaminants. Protective measures shall include the following:</p> <ol style="list-style-type: none"> 1. No discharge of pollutants from vehicle and equipment cleaning shall be allowed into any drainage ditches or watercourses. 2. Spill containment kits shall be properly maintained and located within the vicinity of all operations and fueling of equipment. 	<p>City of Colusa Planning Department</p>	<p>Prior to construction, the contractor and EMC Emergency Services will develop a construction safety operation plan.</p>	
<p>HAZ-2: <u>Prior to issuance of a grading permit the soils within the boundaries of the site shall be tested by a qualified environmental engineering firm to ensure that the site does not contain contaminants of concern. If contaminants of concern are found to be present at levels that exceed thresholds, the applicant shall consult with the Department of Toxic Substance control to remedy the project site.</u></p> <p>If soil staining, odors of respected hazardous materials are encountered during construction activities, work shall cease in the area approximately 100 feet around the discovered site until a qualified firm conducts an environmental site assessment. The assessment shall identify the potential contaminated area and shall recommend measures to reduce or eliminate potential adverse impacts. The contractor shall implement all mitigation measures prior to resumption of work in the 100 foot area.</p>	<p>The City of Colusa Planning Department</p>	<p>Prior to issuance of grading permits or improvement plans,</p>	
<p>HAZ-3: Prior to issuance of a grading permit, the developer or their successor shall such plans to the Colusa County Airport Land Use Commission staff to determine whether a consistency determination is required by the Colusa County Airport Land Use Compatibility Plan.</p>	<p>The City of Colusa Planning Department</p>	<p>Prior to issuance of grading permits or improvement plans,</p>	

MITIGATION AND MONITORING REPORTING PROGRAM

Proposed Mitigation	Monitoring Responsibility	Timing	Verification (Date and Initials)
<p>HAZ-4: In conjunction with recordation of each Subsequent Final Map, an avigation and noise easement consistent with Appendix “E” of the Airport Land Use Compatibility Plan, shall be recorded on all parcels that lie partially or wholly within C1 and C3 Compatibility Zones as defined in the Colusa County Land Use Compatibility Plan. The easement should at a minimum note the proximity of the Colusa County Airport and that complaints against airport operations are waved, that during planting season the airport experiences an increase in air traffic related to crop dusting activities, that the airport has the right to continue operations as necessary, that residence may experiences noise, vibrations and other effects related to aircraft and that no structure or plant material may exceed height limitation as defined by the Colusa County Land Use Compatibility Plan.</p>	<p><i>The City of Colusa Planning Department</i></p>	<p><i>Prior to issuance of grading permits or improvement plans</i></p>	
<p>HAZ-5: Prior to physical development within the Commercial, Open Space and Park zoning districts (not grading, earthwork, underground or road improvement), the developer, or their successor, shall submit such plans to the Colusa County Airport Land Use Commission staff to determine whether a consistency determination is required by the Colusa County Airport Land Use Compatibility Plan.</p>	<p><i>The City of Colusa Planning Department</i></p>	<p><i>Prior to issuance of grading permits or improvement plans</i></p>	
<p>10. HYDROLOGY AND WATER QUALITY</p>			
<p>HYDR-1: Prior to issuance of a final occupancy permit for structures within the project, the applicant shall ensure that landscaping installed for the single families, duplex, multi-family and commercial areas are installed pursuant to AB 1881 water usage requirements (the Water Conservation in Landscaping Act of 2006) and will be drought tolerant and on drop irrigation systems with timers. Plant material shall be low or very low in areas that are not dedicated for active play or turf such as within parks.</p>	<p><i>The City of Colusa Planning Department.</i></p>	<p><i>Upon discovery of unknown cultural resources. Mitigation is to be included as part of construction contracts and documents.</i></p>	
<p>HYDR-2: Prior to landscape improvements within the public right of way, park area and open space, the applicant or their successor shall submit a landscape plan to the City of Colusa. The landscape plan shall utilize drought tolerant plant species, drip irrigation systems for individual plants and trees when appropriate, low flow water systems for sod or active play areas.</p>	<p><i>The City of Colusa Planning Department</i></p>	<p><i>Prior to issuance of a grading permit.</i></p>	
<p>HYDR-3: Prior to issuance of a grading permit, the applicant, or their successor, shall submit a Stormwater Pollution Prevention Plan which addresses the projects’ stormwater drainage system, and any storm water detention or retention facilities (on- or off-site) if necessary, to prevent flooding due to runoff or where existing storm drainage facilities are unable to accommodate increased storm water drainage. This Storm Water Plan will be developed to the satisfaction of the City of Colusa.</p>	<p><i>The City of Colusa Engineering Department</i></p>	<p><i>Prior to issuance of a grading permit.</i></p>	

Proposed Mitigation	Monitoring Responsibility	Timing	Verification (Date and Initials)
11. LAND USE AND PLANNING			
<p>LAND-1: Prior to issuance of a grading permit, the applicant or their successor shall consult with the Agricultural Commissioner and discuss, if need be, an increased agricultural setback along the western boundary of the project when abutting residential lots. To satisfy a buffer, the treatment can include physical setback/distance, increased masonry fence height long Westcott Road, and plantings. The setback distance may be adjusted by the Agricultural Commissioner.</p>	<p><i>City of Colusa Engineering and Planning Department</i></p>	<p><i>Prior to issuance of a grading permit.</i></p>	
<p>LAND-2: In conjunction with recordation of each Subsequent Final Map, a right to farm covenant as provided by the County of Colusa, shall be recorded on all parcels that are within the project boundaries. The covenant should at a minimum note the proximity of agricultural zones and uses, that complaints against agricultural operations are waived, that during planting and harvest season there may be an increase in smells, odors, vibration, dust, noises and other agricultural related activities</p>	<p><i>City of Colusa Engineering and Planning Department</i></p>	<p><i>Prior to recordation of a final map.</i></p>	
13. NOISE			
<p>NOISE-1: The following measures are required in order to reduce potential construction-related impacts to a less-than-significant level:</p> <ul style="list-style-type: none"> • The construction contractor shall ensure that all internal combustion-engine-driven equipment is equipped with mufflers that are in good operating condition and appropriate for the equipment. • The construction contractor shall ensure that “quiet” models of air compressors and other stationary construction equipment are utilized where such technology exists. • The construction contractor shall, to the maximum extent practical, locate on-site equipment staging areas to maximize the distance between construction-related noise sources and noise-sensitive receptors nearest the Site during all project construction. • The construction contractor shall place all stationary construction equipment so that emitted noise is directed away from sensitive receptors nearest the Site. • The construction contractor shall prohibit unnecessary idling of internal combustion engines (i.e., in excess of 5 minutes). • The construction contractor shall designate a noise disturbance coordinator who would be responsible for responding to any local complaints about construction noise. The disturbance coordinator would determine the cause of the noise complaints (starting too early, 	<p><i>The City of Colusa Planning Department</i></p>	<p><i>Prior to and during grading and construction. The contractor shall provide to all subcontractors contract specifications that reflect the above guideline.</i></p>	

Proposed Mitigation	Monitoring Responsibility	Timing	Verification (Date and Initials)
bad muffler, etc.) and institute reasonable measures warranted to correct the problem. The construction contractor shall conspicuously post a telephone number for the disturbance coordinator at the construction site.			
NOISE-2: Construction related activities shall be limited to hours as stipulated in Chapter 11A Noise Regulations of the City of Colusa Municipal Code. A Note shall be placed on all improvement plans, including grading, construction and landscaping noting adherence to the Municipal Code is required.	<i>The City of Colusa Engineering and Planning Department</i>	<i>On going through the life of the project</i>	
15. PUBLIC SERVICES			
PUBLIC 1: Prior to recordation of the final map, or a phase within the final map, the applicant or their successor shall annex the boundaries of the Wescott Subdivision to Community Facilities Improvement District 2-2020 or create a new Community Facilities District to serve the project boundary. The District shall include fair funding for costs associated but not limited to, (i) Police and Fire Protection, (ii) maintenance of open space and parks, including trails, improvements, services to include but not limited to, irrigation and vegetation control; (iii) maintenance of roads and roadways, with services to include but not be limited to, regularly scheduled street sweeping, repair of public streets, striping of streets; (iv) storm protection services, including, but not limited to, the operation and maintenance of storm drainage systems; (v) landscaping in public areas and in the public right of way along public streets, including, but not limited to, irrigation, tree trimming and vegetation maintenance and control; and (vi) any other public services authorized to be funded under Section 53313 of the California Government Code that are not already funded by another community facilities district on the property within the CFD.	<i>The City of Colusa Engineering and Planning Department</i>	<i>Prior to recordation of a final map</i>	
17. TRAFFIC			
TRAF 1: Improvement plans shall be modified to illustrate a pedestrian connectivity of at least 10-foot width, containing a paved surface of 5 feet, at the terminus of Street “B” and Street “D” to allow internal pedestrian and bicycle connectivity at the end of each cul-de-sac with the balance of the project.	<i>The City of Colusa Engineering and Planning Department</i>	<i>Prior to approval of improvement plans</i>	
TRAF 2: Improvement plans shall be modified to illustrate a Class II bicycle connectivity along the Wescott Road frontage, connecting existing bicycle improvements to the north and terminating at the southern end of the property. The Class II bicycle path may be improved in phases in correlation with the phase of the tentative subdivision map.	<i>The City of Colusa Engineering and Planning Department</i>	<i>Prior to approval of improvement plans</i>	

PROJECT APPLICANT’S INORPORATION OF MITIGATION INOT THE PROPOSED PROJECT:

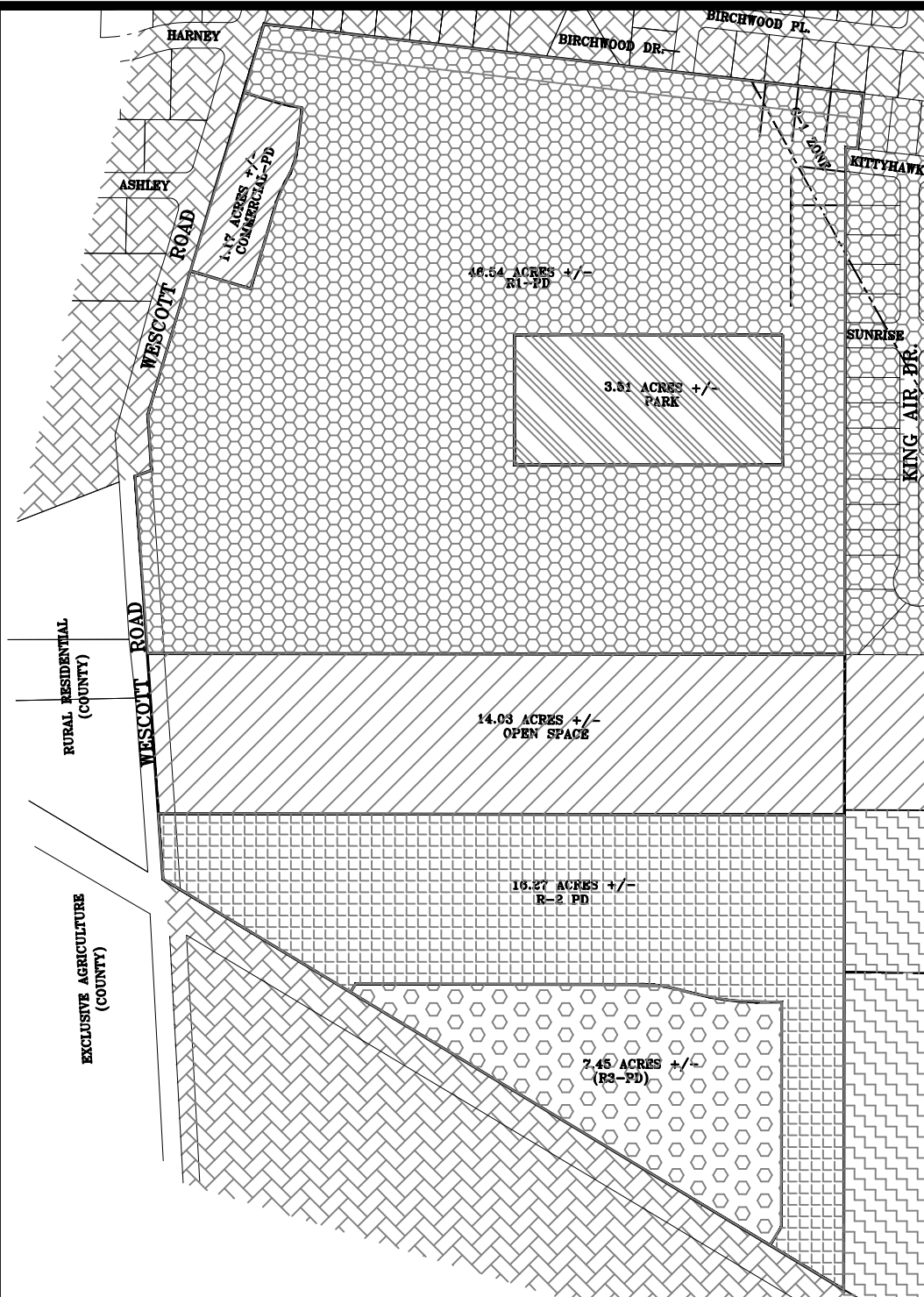
I have reviewed the Initial Study for the Wescott Ranch Project and the mitigation measures identified within. As the applicant for the foregoing, I hereby modify the project on file with the City of Colusa and agree to include and incorporate all mitigation measures as set forth in this document.

Authorized Signature

Printed Name and Date



1" = 400



OWNERS

BLUE HERON RIDGE INC
50 SUNRISE BLVD.
COLUSA, CA 95932
(530) 458-2118

WESCOTT RANCH LLC
642 5TH STREET
COLUSA, CA 95932

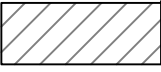





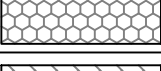

ENGINEER/SURVEYOR:
NORTH VALLEY ENGINEERING
AND SURVEYING

P. O. BOX 3082
YUBA CITY, CA 95993
(530) 713-0417

AREA OF ALL PARCEL
88.97 AC +/-

ZONE C-1 NOTES:
1- AREA OF SUBDIVISION WITHIN
AIRPORT ZONE C-1 IS 1.097
ACRES MORE OR LESS.

2- NUMBER OF LOTS AFFECTED
PARTIALLY OR TOTALLY BY ZONE
C-1 ARE 6 LOTS (LOTS NO.
1,2,3,4,67 AND 68)

ZONING	GENERAL PLAN	ZONING	GENERAL PLAN
 O-S PD OPEN SPACE PLANNED DEVELOPMENT	PARKS RECREATION OPEN SPACE	 C-G PLANNED DEVELOPMENT	GENERAL COMMERCIAL DISTRICT PD
 P-F PUBLIC FACILITIES DISTRICT	PUBLIC FACILITY	 R-2 PLANNED DEVELOPMENT	MEDIUM DENSITY RESIDENTIAL PD
 M-1 LIGHT INDUSTRIAL	INDUSTRY DISTRICT	 R-3 PLANNED DEVELOPMENT	HIGH DENSITY RESIDENTIAL PD
 R-1 PD SINGLE FAMILY RESIDENTIAL DISTRICT PLANNED DEVELOPMENT	LOW DENSITY RESIDENTIAL	- - - - - ZONE C-1 COLUSA AIRPORT LAYOUT PLAN	
 R-1 SINGLE FAMILY RESIDENTIAL DISTRICT	LOW DENSITY RESIDENTIAL	PROPOSED ZONING & GP WESCOTT SUBDIVISION	

PROJECT NOTES:

OWNERS

BLUE HERON RIDGE INC
50 SUNRISE BLVD.
COLUSA, CA 95932
(530) 458-2118

WESCOTT RANCH LLC
642 5TH STREET
COLUSA, CA 95932

DEVELOPER:

COLUSA INDUSTRIAL PROPERTIES
50 SUNRISE BLVD.
COLUSA, CA 95932
(530) 458-2118

ENGINEER/SURVEYOR:

GEORGE L. MUSALLAM LS 7104
NORTH VALLEY ENGINEERING
AND SURVEYING
1547 STARR DRIVE SUITE "J"
YUBA CITY, CALIFORNIA 95993
(530) 713-0417

ASSESSOR'S PARCEL NUMBER:

APN: 017-130-107(1.98 AC +/-)
APN: 017-030-050 PORTION OF (88.97 AC +/-)

AREA OF ALL PARCEL

88.97 AC +/-

EXISTING USE:

ROW CROP

EXISTING ZONING:

R-1

PROPOSED ZONING:

R-1/PD LOW DENSITY RESIDENTIAL-PLANNED DEVELOPMENT (46.54 AC +/-)
R-2/PD MEDIUM DENSITY RESIDENTIAL-PLANNED DEVELOPMENT (16.27 AC +/-)
R-3/PD HIGH DENSITY RESIDENTIAL-PLANNED DEVELOPMENT (7.45 AC +/-)
CM/PD COMMERCIAL- PLANNED DEVELOPMENT (1.17 AC +/-)
PARK (3.51 AC +/-)
OS OPEN SPACE (14.03 AC +/-)

WATER, SEWER

CITY OF COLUSA

STORM DRAINAGE

CITY OF COLUSA

GROUND SLOPE

PROPERTY HAS BEEN LEVELED
1% SLOPE IN THE SOUTHWEST DIRECTION

UNDERGROUND ALERT SERVICES:

1-800-642-2444

ELECTRIC & NATURAL GAS:

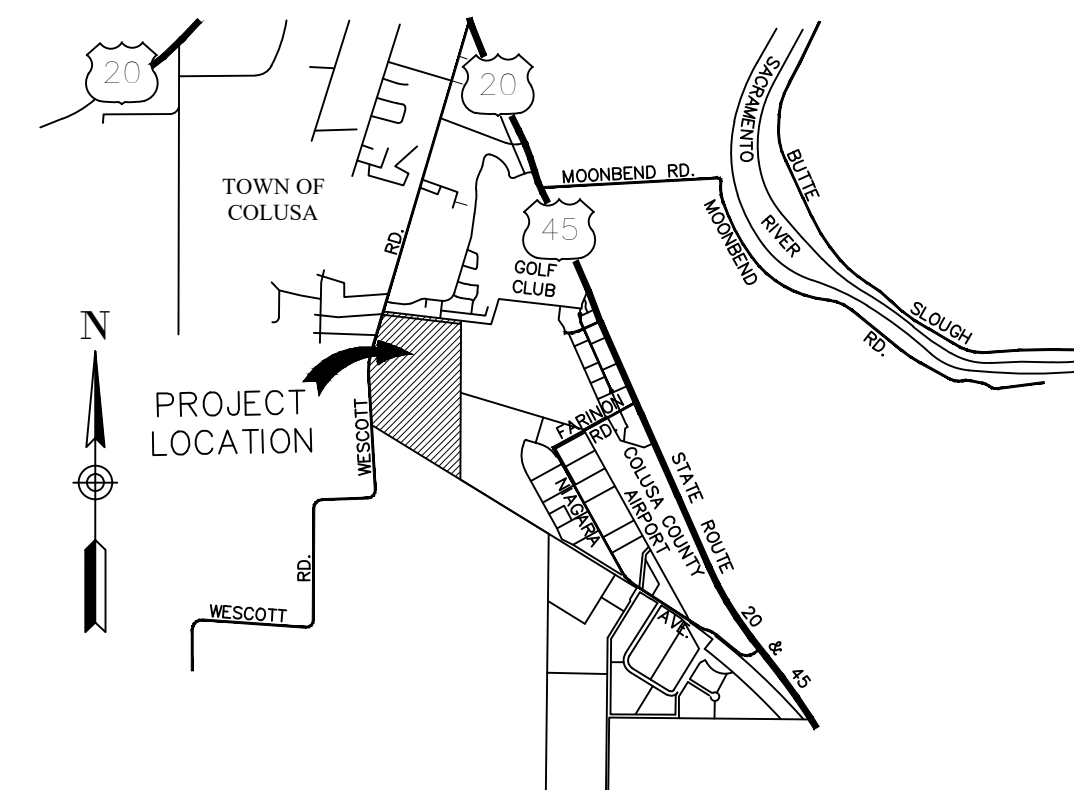
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COMMUNICATIONS

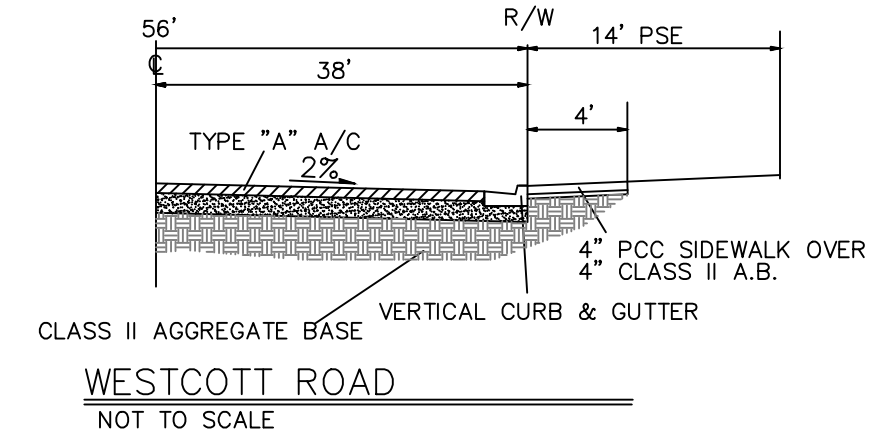
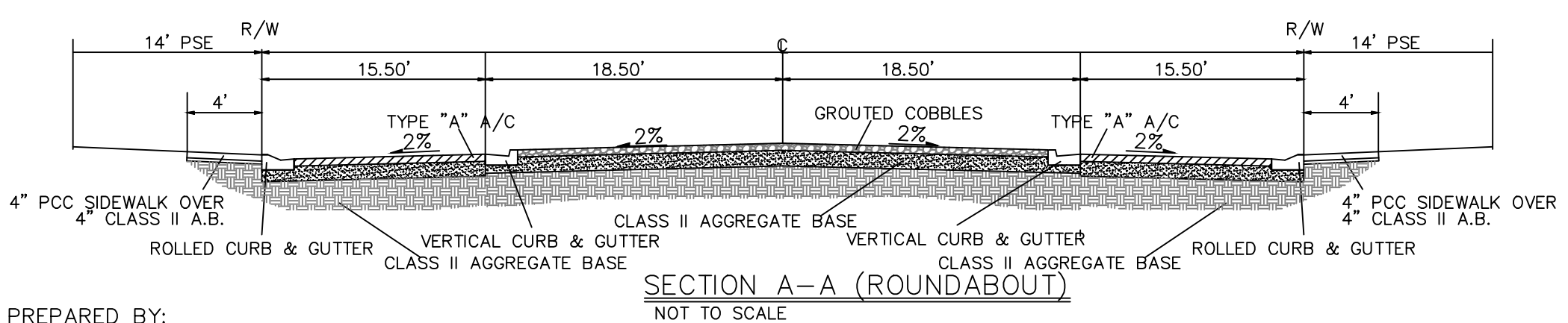
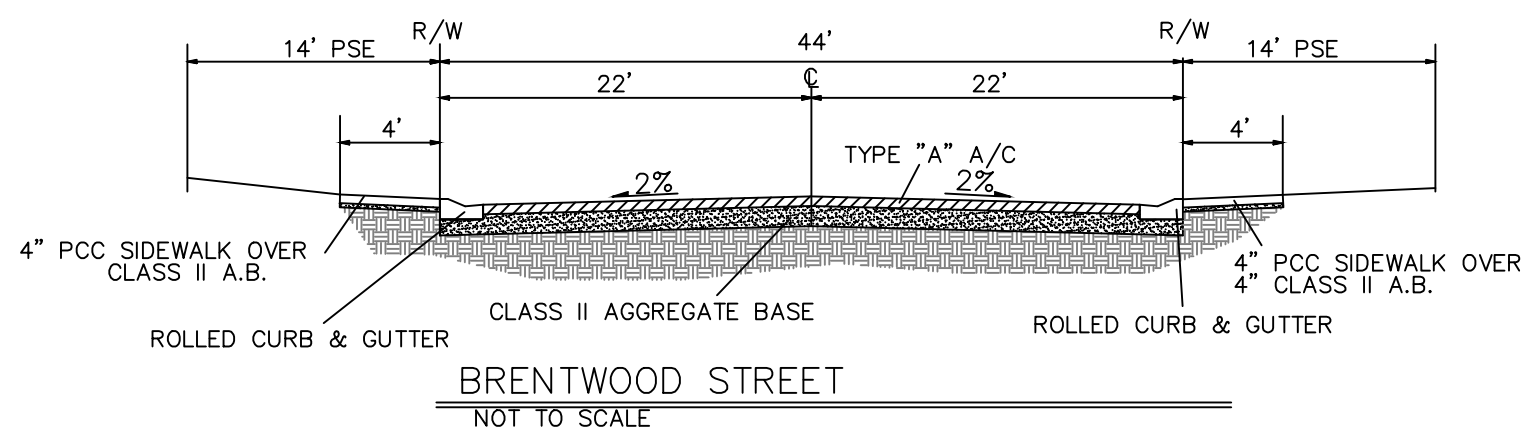
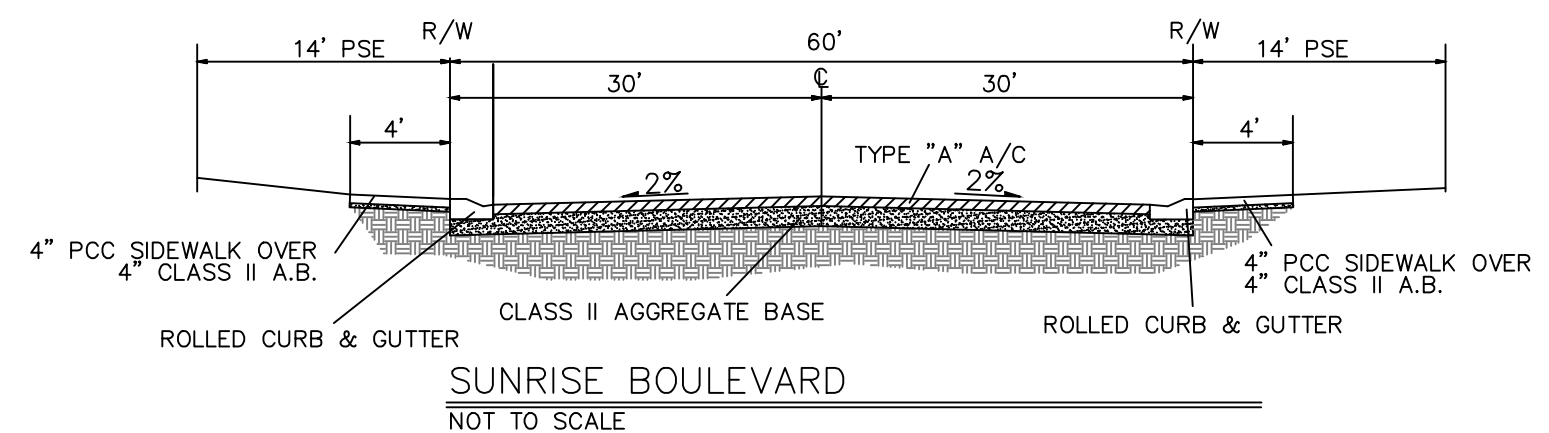
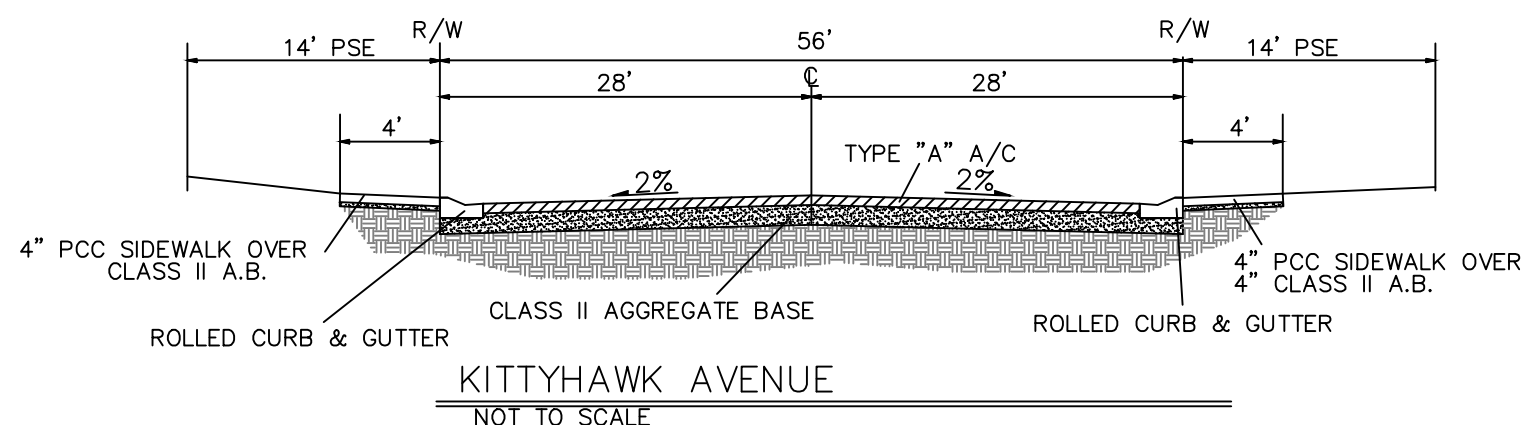
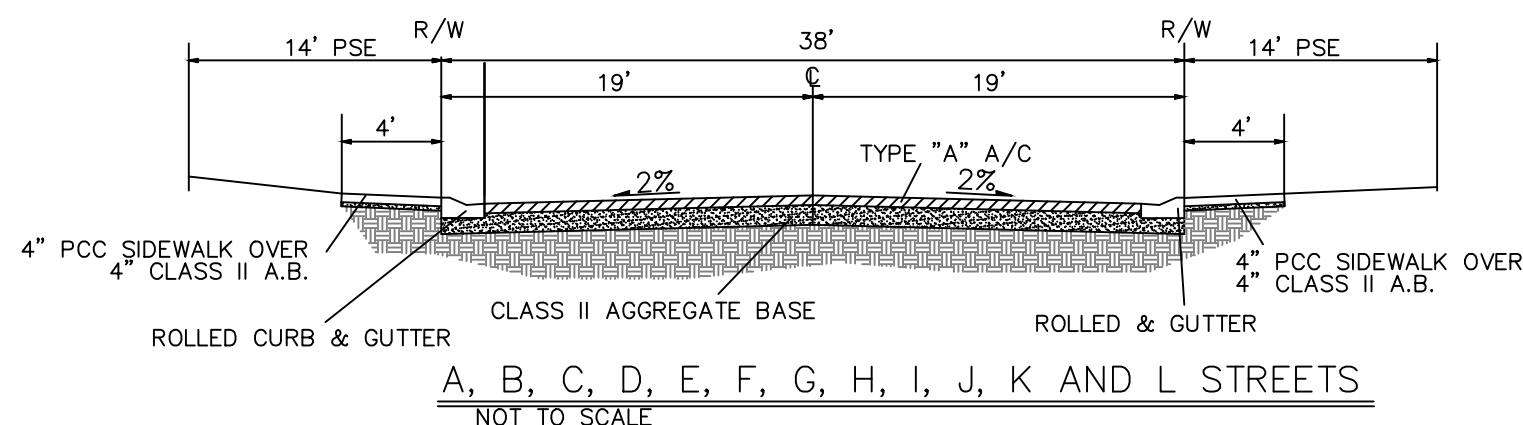
AT & T AND COMCAST

CABLE

COMCAST

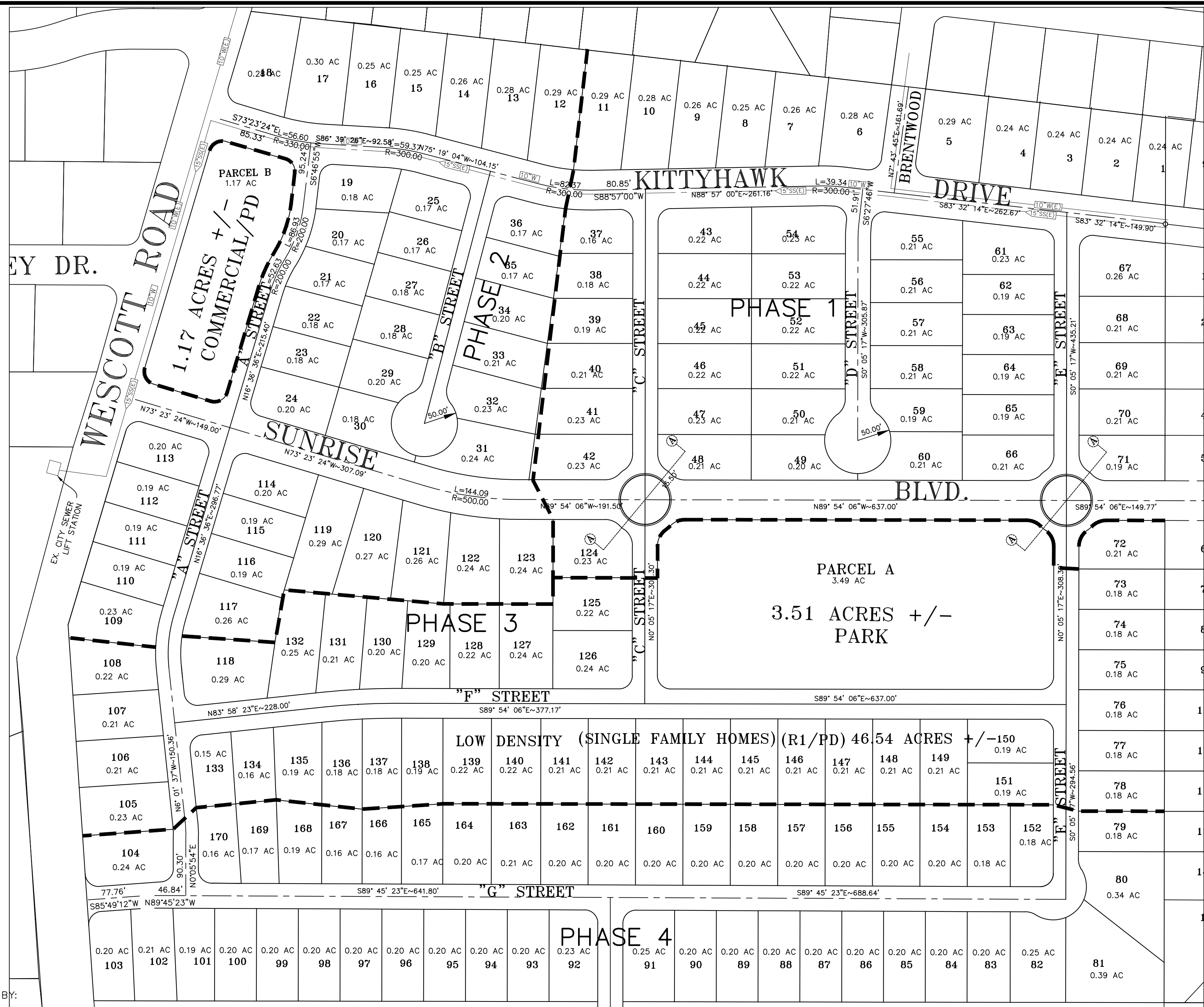
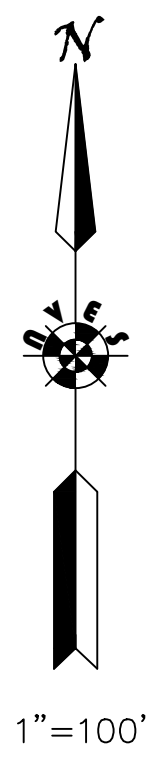


VICINITY MAP
NOT TO SCALE



PREPARED BY:
NVES
NORTH VALLEY ENGINEERING AND SURVEYING
1547 STARR DRIVE SUITE "J"
YUBA CITY, CA 95993
(530) 713-0417

WESCOTT SUBDIVISION
BLUE HERRON INC/WESCOTT RANCH LLC
BEING A PORTION OF SECTION 5, T. 15 N., R. 1 W., M.D.B.&M.
COUNTY OF COLUSA, IN THE STATE OF CALIFORNIA.
OCTOBER 2023

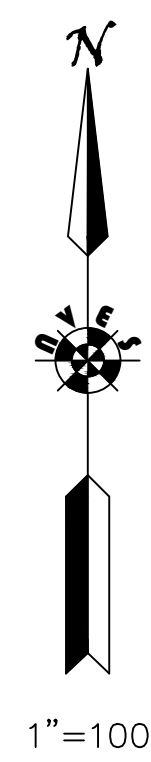
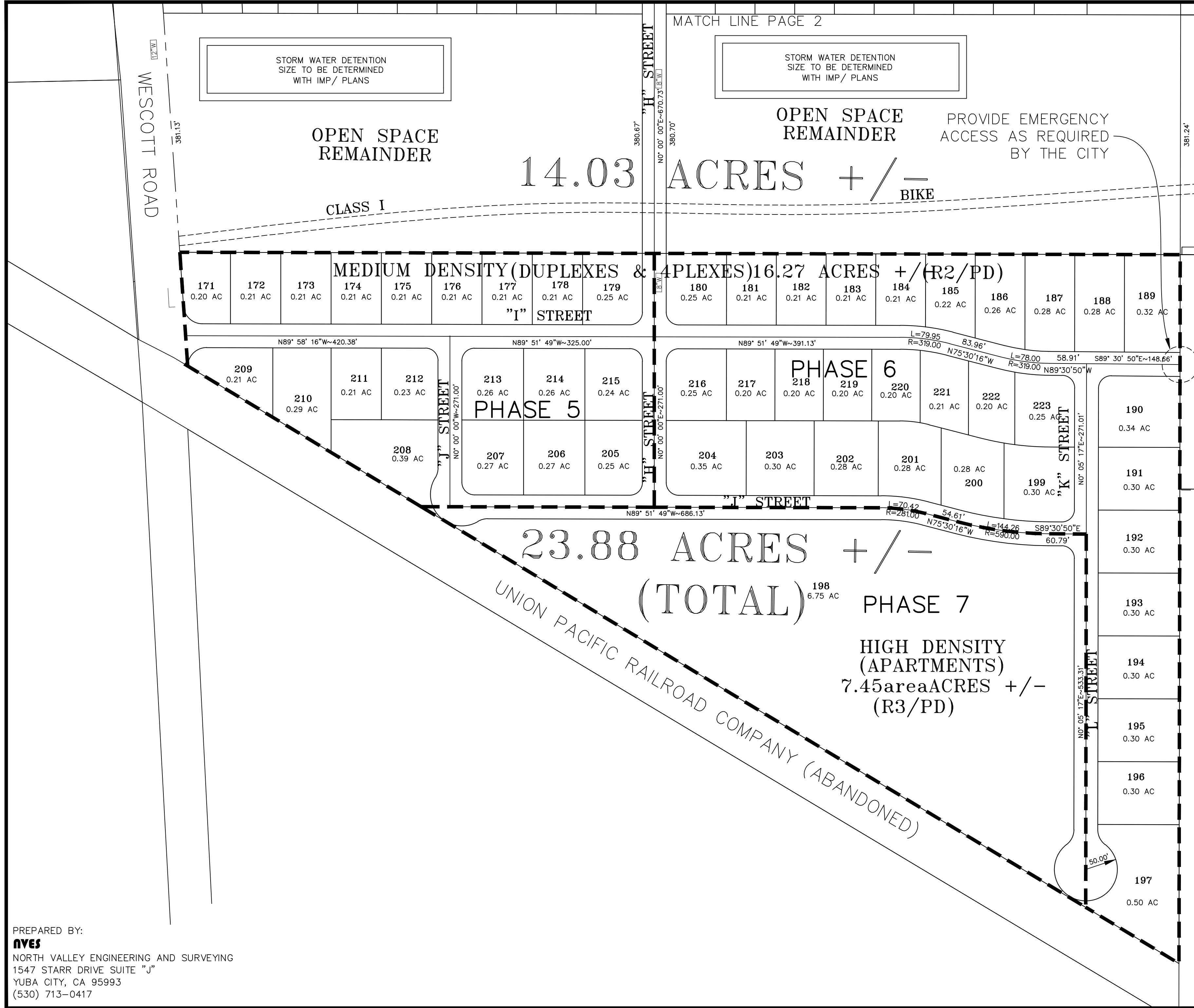


NOTE:
 PHASE 1 48 LOTS
 PHASE 2 39 LOTS
 PHASE 3 38 LOTS
 PHASE 4 45 LOTS

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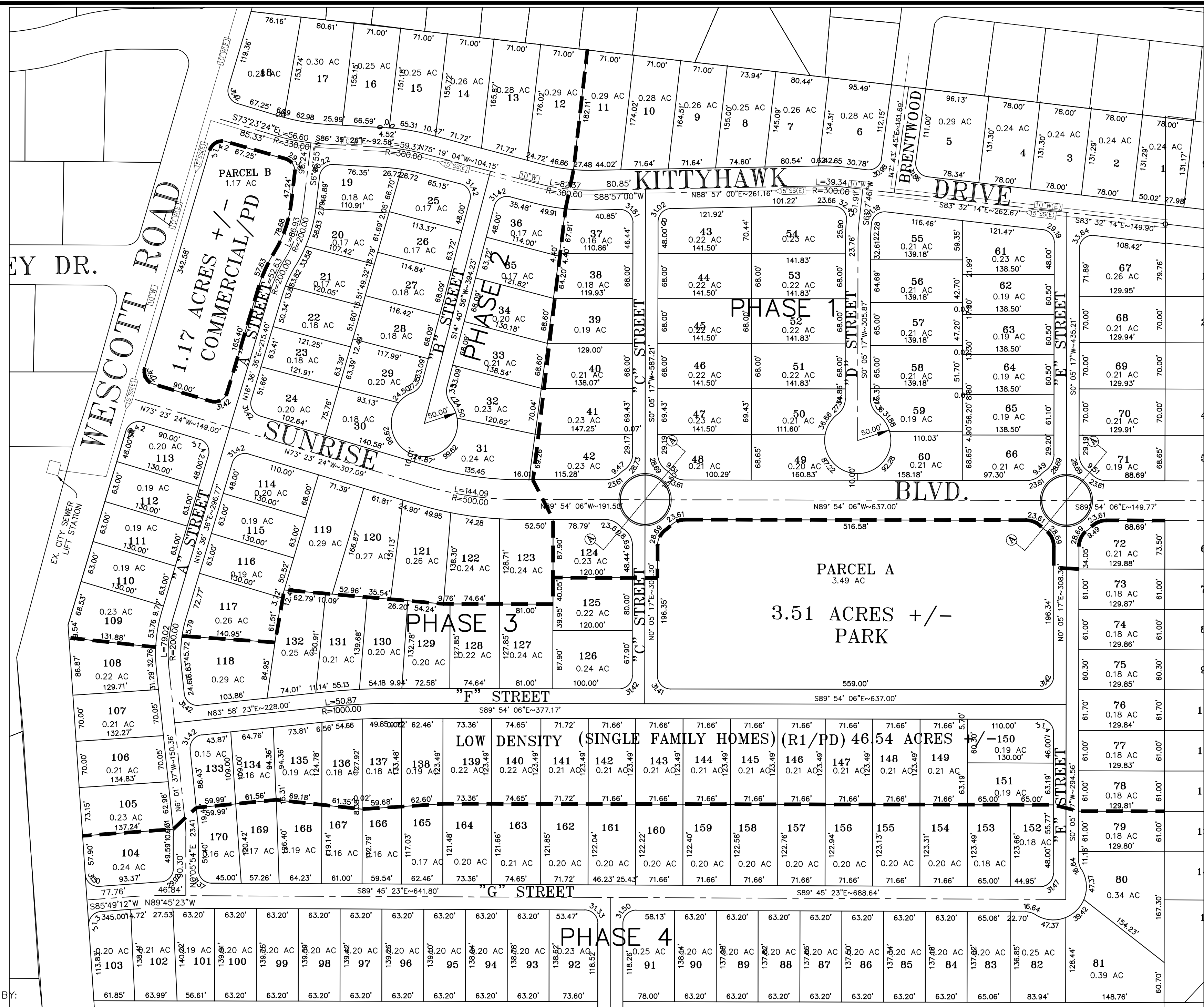
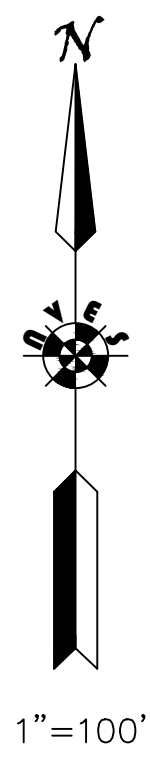
MATCH LINE PAGE 3

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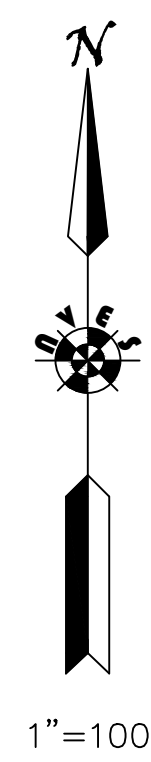
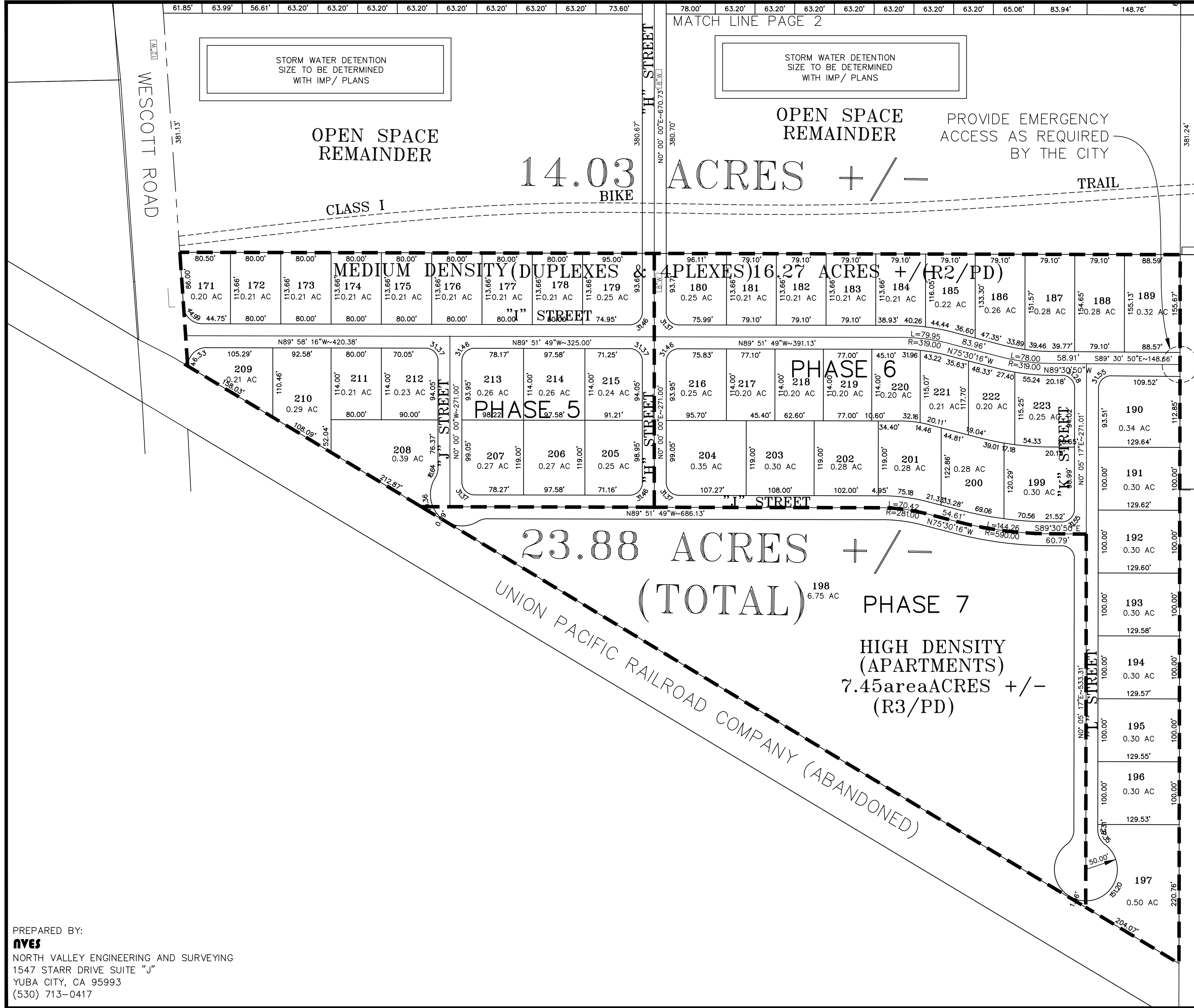


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WESTCOTT SUBDIVISION VERSION 2

General Conditions

1. The approval for the Colusa Industrial Properties, WESCOTT SUBDIVISION 226-lot subdivision tentative map shall expire 24 months from the date of its approval by the Planning Commission, subject to the provisions of the City's Subdivision Ordinance and the California Subdivision Map Act or as defined in a development agreement.
2. The developer may enter into a development agreement with the City, which shall be in place (approved by the City Council) prior to recordation of final map.
3. The developer shall comply with all mitigation measures as specified in the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program (MMRP).
4. All outstanding planning application fees shall be paid in full prior to issuance of grading permit.
5. All environmental document recordation fees shall be paid in full within 7 days of application approval. When applicable Department Fish & Game environmental review fees shall be included in the total amount due.
6. All City fees applicable to this project, including those established by the environmental mitigation measures, shall be paid at the rate in effect at the time fees are due or as established by the Development Agreement.
7. Applicant's acceptance of this entitlement shall be deemed to be acceptance by the applicant of all Conditions of Approval.
8. The Conditions of Approval of this entitlement shall prevail over all omissions, conflicting notations, specifications, dimensions, typical sections, and the like, which may or may not be shown on the map or improvement plans.
9. All Department, Division, District, and Agency permits, or "will-serve letters" shall be submitted to the City Engineer and Building Official prior to issuance of building permits.
10. Applicant agrees to join an existing Maintenance District already in place, CFD 20-20 prior to the filing of the final map to cover costs of public maintenance within Westcott Subdivision. Assessments will be shown on the property owners' tax bills.
11. The applicant shall indemnify, exonerate, and hold harmless the City and all officers and employees thereof against all claims, demands, and causes of action arising out of improvements constructed within this subdivision; and defend at his/her sole expense, any action brought against the City as a result of this project. The applicant shall reimburse the City for any court costs and attorney's fees resulting from any such action. The City may, at

its discretion, participate in the defense of any action, but such participation shall not relieve the applicant of the obligations under this Condition.

12. The developer may choose to construct all infrastructure improvements including, but not necessarily limited to , water, sewer, storm drain, roads, curbs gutters and sidewalks, signage and striping, dry utilities and street lights, and seek inspections and approval of any phase in order to record a final map or; the developer may enter into a contractual agreement with the City to perform the installation and construction of all improvements as contained in the Conditions of Approval of the subdivision and those required by the City of Colusa Subdivision Standards. The developer shall post bond, cash deposit, or instrument of credit, guaranteeing the installation and construction of all required improvements within the time period specified herein or approved time extension in accordance with the provisions of the City.
13. The improvement plans for this subdivision shall be prepared by a California Registered Civil Engineer and shall be approved by the City Engineer prior to the filing of the final map, unless a separate grading permit is issued. The applicant shall comply with the City of Colusa subdivision standards and the project's Conditions of Approval and Mitigation Measures. Developer shall submit a site-specific soils report for the project which will include at a minimum recommendation for trench backfill, subgrade preparation under roads and sidewalks, structural sections for paving, and building pad construction and compaction requirements.

These improvement plans shall be submitted concurrently and shall include, but not be limited to, grading, street, drainage, sewer, water, and appurtenant improvements. In addition, a master utility plan shall be submitted showing the layout and location of all the onsite and offsite utility facility improvements of the subdivision. (See Gas, Electric, and Communication Utilities conditions). The plan submittal shall also include construction cost estimates, plan check fees, soils reports, and all pertinent engineering design calculations. The final map may not be filed unless all said improvement plans have been approved by the City Engineer.
14. The final map of any phase shall be prepared in accordance with the Subdivision Map Act, most current City of Colusa Subdivision Standards and City Subdivision Ordinance. The final map shall be submitted to the City Engineer for review and approval prior to City Council action.
15. Lot standards shall substantially conform to the City of Colusa Zoning Ordinance.
16. The developer shall provide all necessary easements for streets, alleys, sewers, water facilities, utilities, drainage facilities, and other facilities as required by the City. In the event such easements cannot be obtained from the property owner involved by negotiation; the City may acquire them at the costs of appraisal, acquisition, attorney fees, and court fees borne by the developer.

17. The final improvement plans shall be reviewed, approved, and signed by the Colusa Fire Chief, for compliance with the Uniform Fire Codes, fire flow gallons per minute requirements, the number/type of fire hydrants and their location.
18. The final improvement plans shall be reviewed, approved, and signed by the City Police Chief for compliance with public safety and emergency
19. All Conditions of Approval of this project shall be met or bonded prior to the satisfaction of the City Engineer prior recordation of final map.
20. Costs of all plan checking and field inspections related to onsite and offsite improvements shall be the responsibility of the developer. Plan check fees shall be paid at the time the plans are submitted, and inspection fees shall be paid prior to the field inspection.
21. The developer shall be responsible for all actions of his contractors, and subcontractors until such time as the improvements have been accepted by the City.
22. The developer shall designate in writing before starting work, an authorized representative who shall have complete authority to represent and to act for the developer. Such written authorization shall be provided to the City. Said authorized representative shall be present at the site of the work at all times while work is actually in progress on the development. During periods when work is suspended, arrangements acceptable to the City shall be made for any emergency work, which may be required.
23. It shall be the applicant's responsibility to ensure that all requirements of any other law or agency of the State of California and any other governmental entity, applicable to this development, shall be met.
24. The project shall be constructed in conformance with all applicable City codes, plans, standards and guidelines. In the event of a conflict, those standards adopted at the time of tentative map approval shall prevail.
25. With the recordation of the final map each phase shall annex to an already existing Community Facilities District CFD 20-02.

Grading

26. The following shall be submitted to the City Engineer for approval, prior to issuance of a grading permit:
 - a. A master drainage plan and report that covers the interim and permanent drainage solutions shall be submitted and approved by the City Engineer, prior to submitting any civil design plans. The drainage report shall address each phase and any interim solutions for that phase, and an overall masterplan. The report shall include hydrologic and hydraulic calculations, and consideration of the 10 yr and 100 yr return flow periods. The report and calculations shall be stamped by a Registered Civil Engineer registered in the State of California.

- b. A grading and drainage plan for each phase, shall be designed to meet the requirements of the Colusa Municipal Codes and City Engineer. Plans shall include provisions for permanent erosion and sediment control. Estimated quantities of excavation and embankment shall be noted on the plans.
 - c. A temporary erosion and sediment control plan shall be included with any phase of work, If grading will not be completed by October 15 or is scheduled to start prior to April 15, a winterization plan shall be included for all work on that phase, with the developer responsible for implementation and maintenance of the winterization plan.
 - d. Water, wastewater, and utility improvements.
 - e. Two (2) copies of the SWPPP Monitoring Program and Inspection Plan including the WDID and NOI and Filing with the State Water Board.
 - f. Drainage calculations prepared in accordance with the Colusa Municipal Codes and City Engineer.
 - g. A geotechnical investigation report with recommendations pertinent to the facilities being proposed, including site preparation and engineered fill, on-grade, asphalt concrete pavements, and retaining walls, and building pad construction
 - h. Engineer's estimate of probable construction cost.
 - i. The plan shall include sufficient topographic information on adjacent parcels. The statement "I hereby state that all improvements have been substantially constructed as presented on these plans" shall appear on the site grading and drainage plan and shall be signed by a registered civil engineer. The erosion control plan shall include, but not limited to, inlet filters and stabilized construction site access.
 - j. Offsite improvement plans.
 - k. Plan check fees.
27. All grading performed shall conform to the City Ordinance, Chapter 70 of the Uniform Building Code, and as recommended in the Soils/Geotechnical Report with review and approval by the City Engineer.
28. Onsite grading shall be limited to the locations shown on the approved plans or on subsequent City approvals. All grading shall be suspended when winds reach 20 miles per hour or greater.
29. All abandoned irrigation lines and wells, trees (except those to be preserved), and obstructions in the project site shall be removed and properly disposed of from the site during grading operations. Proper backfill and compaction of voids shall be subsequently accomplished to provide protection against settlement.

30. It is the contractor's responsibility to use watering, dust fences, or other methods as directed by the City, to control dust throughout the construction operation.
31. All grading construction debris materials shall be removed and disposed of offsite prior to any excavation or fill operations. The developer or his agents or employees shall be responsible for removal and cleanup of any spill on public streets during his entire grading operations.
32. FEMA Map study showing that the proposed improvements meet the current city minimum elevations above the FEMA floodplain.

Sewer

33. All proposed subdivision lots shall connect to the City's sewer system.
34. Sanitary sewer facilities shall be designed and constructed at the developer's expense in accordance with the City of Colusa Subdivision Standards, as approved by the City Engineer. The developer shall construct and pay for sewer lines to tie in from the west to Wescott Road. Developer may be required to upgrade the sewer pumping station located along Wescott Road which transmits the effluent from this area to the City Municipal wastewater treatment plant.
35. The method of sewage and waste disposal shall be by means of the City's collection and disposal system. All sewer system improvements shall meet or exceed the City's standards and the necessary separation between water mains and sanitary sewers shall be maintained as required by the State Department of Health, as directed by the City.
36. Sewer connection and impact fees shall be paid with the issuance of a building permit and shall be those in effect at the time the permit is issued, excepting therefrom any special development agreements which may or may not adjust the fees.

Water

37. Water facilities shall be designed and constructed at the developer's expense in accordance with the City of Colusa Subdivision Standards, as directed by the City Engineer, and as proposed by the City Water Master Plan
38. The developer shall install onsite and offsite mains, fire hydrants, and water meters in conformance with the City Subdivision Standards.
39. The developer shall also provide onsite fire protection as determined necessary by the Fire Chief. Adequate fire protection, as determined by the Fire Chief, shall be available prior to acceptance of subdivision improvements by the City.
40. The required separation between water mains and sanitary sewers shall be in conformance with State Department of Health requirements.

41. The developer shall construct and pay for the water lines to tie in from east to Wescott Road as shown on the tentative map sheet 2.
42. Developer shall install a water main line, tying into the Cities water main line in Wescott Road.

Drainage

43. The project shall not increase runoff onto adjacent lands which are not owned by the developer, unless they are part of the master grading plan of the project. But in no case will the completed project discharge higher rates of runoff from the ultimate buildout boundary. Drainage calculations shall be completed and presented in a drainage analysis to the City Engineer for approval prior to issuance of grading permit. The drainage system design shall integrate, to the greatest extent feasible, techniques to minimize offsite runoff and maximize infiltration from not only large infrequent storms, but from small, frequent storms and irrigation.
44. Both onsite and offsite storm drainage facilities shall be designed and constructed in accordance with the City of Colusa Subdivision Standards, as approved by the City Engineer.
45. The developer shall install the required drainage facilities concurrently with the rough grading operations or provide an interim drainage and erosion control plan and construct interim improvements with prior approval from the City Engineer. Such improvements shall mitigate any potential flooding and erosion adversely affecting adjacent properties and public right-of-way.
46. The developer shall comply with the National Pollutant Discharge Elimination System (NPDES) requirements, as covered in the State of California General Permit for Storm Water Discharges Associated with Construction Activity. A Notice of Intent must be filed with the State Water Resources Control Board (SWRCB) prior to the onset of construction. A Storm Water Pollution Prevention Plan (SWPPP) Monitoring Program and Inspection Plan must be prepared and submitted to the City Engineer for approval, at the same time as the Improvement Plans for this project. The developer will solely be responsible for implementation of the SWPPP, Monitoring Program and Inspection Plan during construction.

Streets

47. The developer shall submit a phasing plan to the City Engineer and Planner which shows the phasing of development, and the roadways connecting to each phase shall be constructed such that there are two access routes. The specific road construction and geometrics shall be approved by the City Engineer for each phase, in particular the first phase, as this phase may require additional access routes to be constructed.
48. A minimum of two permanent, primary access routes shall be provided to the subdivision. Secondary access may be provided, subject to the approval of the Public Works Department.

49. The developer shall construct and pay for all required offsite roadway improvements. At a minimum the eastern ½ of Wescott Road fronting the project shall be improved to a City Collector standard including bike lane, curb, gutter and sidewalks. The City will permit the developer to complete the first phase of development and defer the Wescott Road offsite improvements to the second phase of the project. Improvements shall include completing the connection of all roadways to their respective connections points shown on the Tentative Map. Final improvement plans shall be prepared for all offsite improvements to be approved by the City Engineer and shall be constructed to City standards.
50. Streets shall be designed and constructed in accordance with the City of Colusa Subdivision Standards, or as otherwise approved, and agreed upon by the developer and by the City Engineer as illustrated on the approved tentative map, and streets will not have planter areas separating the curb and gutter from the sidewalks.
51. The design of the two roundabouts shall be reviewed and approved by the City Engineer and in compliance with emergency personnel needs to ensure the design can accommodate emergency equipment.
52. With the development of Phase I, extending the Street Kittyhawk to Wescott Road will be required, however the improvements extending west from phase I need only to be asphalt paving and the ultimate required underground utilities.
53. Developer shall erect barricades at street stub outs in conformance to city standards for barricade construction. The stub ends of all streets planned for future continuation shall also be in conformance with city standards. The stub ends of all streets planned for future continuation shall be temporarily protected with warning barricades, redwood headers or berms, as required by the City Engineer.
54. The developer shall obtain an encroachment permit for any construction within the public right-of-way.
55. Any street, alley, sidewalk, or curb damaged by the developer, or its agents or employees shall be repaired to the satisfaction of the City.
56. In accordance with the City's Subdivision Standards, all street names shall be approved by City staff and shall not be duplicated within the City limits or unincorporated area. Street names shall appropriately consider future extension of these roadways into adjacent developments (i.e., Brookins Ranch).
57. The developer shall purchase and install street name signs, traffic regulatory and warning signs, and any necessary street striping, overlay and markings, and fire hydrants and hydrant street markers as required by the development standards. Signs shall conform to City's requirements and shall be purchased by the developer. Striping and signing shall be installed

by the developer subject to review and approval of the City and made a part of the final improvement plans.

58. The Maintenance District assessments shall cover maintenance costs of public streets, repairs, maintenance, lighting, landscaping, street sweeping drainage and other items as noted in the Mitigation Measures.

Parks, Trees and Landscaping

59. The developer shall dedicate 3.51+/- acres of park land (Parcel A) to the City, as shown on the proposed tentative map.
60. The 14+ acres shown on the tentative map shall contain a class I paved bike lane pathway extending across the entire property from east to west. This area shall become part of the maintained area by the CFD, and the developer shall submit a passive development plan for this area including the incorporation of the proposed detention basins. These basins, to the extent feasible, shall be incorporated into the useable recreational passive park space. The City will not allow them to be deep, ponds, which become unattractive nuisance.
61. Park improvements shall be installed and paid for by the developer within the boundary of the park land prior to receiving a certificate of occupancy for 70th ~~450th~~ home (currently shown in Phase I ~~III~~) of the Tentative Subdivision Map.
62. The developer shall submit a proposed park improvement plan to the Colusa Parks and Recreation Department. The Department will then submit the plan to the Parks, Recreation and Trees (PRT) Commission for approval. Park improvements shall, at a minimum, consist of active play structures, looped walking path, trash can, benches, bicycle rack, basketball court, drinking fountains turf area, irrigation. Plantings will be placed on automatic drip irrigation, except for the active turf. Plant material be low water usage. If lighting is to be placed within the park, it shall conform to Mitigation Measures.
63. The developer shall submit a streetscape plan for review and approval by the City Planner and City Engineer. Groundcover type(s), tree species, sizes and planting intervals shall be shown on the streetscape plan for all areas to be publicly maintained. A detailed plan for automatic drip irrigation shall be included for all landscaped areas.
64. Street trees and/or streetscape including landscaping of medians and automatic irrigation system shall be installed by the developer. Tree plantings and groundcover shall be placed in the parkways separating the sidewalk from the curb and gutter.
65. The developer shall install side and rear yard fencing for all parcels at the time of home construction. Materials shall be consistent with those suggested in the *Colusa General Plan's* Community Character and Design Element.

66. The developer shall provide landscaping and drip irrigation systems in all front yards and on all corner lot side yards which face public streets meeting all current local and state guidelines. A landscape and irrigation plan will be required for review and approval by the City Planner prior to issuance of building permit.
67. The Maintenance District assessments shall cover maintenance costs of maintenance of public landscaped areas, open space and park lands.

Residential Design

68. If the design of any single unit is intended for use as a production design for more than 2 individual homes, design review shall be carried out by the City.
69. All lots shall be developed with front yards completed including landscaping and irrigation.
70. Fencing of interior lots shall be performed to the city subdivision standards.

Gas, Electric and Communication Utilities

71. A ten (10) foot wide public service easement adjacent to all public streets within the development shall be dedicated to the City and may be required elsewhere as requested by the utility companies and approved by the City.
72. All street crossings for gas, underground electrical power, cable or telephone lines shall be installed before any paving is placed.
73. All utilities shall be placed underground in accordance with City Ordinance.
74. A street lighting plan shall be prepared and submitted for approval by the City Planner, Public Works Administrator and City Engineer. The street lighting plan shall indicate the style, height, location and type of fixture and shall be installed in accordance with City standards and Mitigation Measures.

Conditions of Approval added at the Planning Commission Hearing

75. The improvement plans shall incorporate a Class II bicycle lane in a north south fashion through the project, connecting Kittyhawk and "J" Street within the project.
76. The center design of the roundabouts shall incorporate both hardscape and landscaping to ensure proper function. The design shall be adequate to ensure that emergency equipment may utilize the intersections without impediment.

RESOLUTION NO. 24-001

**A RESOLUTION OF THE COLUSA COUNTY AIRPORT LAND USE COMMISSION
MAKING AIRPORT LAND USE COMPATIBILITY PLAN CONSISTENCY FINDINGS
REGARDING THE WESCOTT RANCH GENERAL PLAN AND
ZONING AMENDMENTS AND SUBDIVISION MAP**

WHEREAS, the proposed Wescott Ranch development (ALUC 24-01) was referred to the Airport Land Use Commission (ALUC) for a consistency determination with the Colusa County's Airport Land Use Compatibility Plan (ALUCP);

WHEREAS, the project site is located approximately 2,700 feet west of the end of Runway 13 of the Colusa County Airport;

WHEREAS, the project site is predominately located within the ALUCP's C3 Compatibility Zone with a small portion in the C1 Zone and the General Plan Amendment and Rezoning require Commission consistency review pursuant to Section 2.1.1 (a) of the ALUCP and the subdivision map requires the Commission's consistency review pursuant to Section 2.2.2 (g) of the ALUCP;

WHEREAS, the proposed project was submitted to the ALUC for review of its consistency with the ALUCP and at which time the Commission considered the staff report, the requirements of the ALUCP and all oral and written testimony presented concerning the application.

NOW, THEREFORE, BE IT RESOLVED that the Colusa County Airport Land Use Commission makes the following determinations and findings based on the totality review of the project:

- I. The Commission can only make a finding of consistency or inconsistency for the proposed project considered herein and is unable to make any finding of consistency with respect to any future use or development on the project site and, as such, all future uses and development not considered herein must be submitted to the County's ALUC staff to determine if the Commission is required to make a review of consistency consistent with the ALUCP. During any required subsequent review, the Commission may or may not find any future use or building associated with the project is consistent with the ALUCP.
- II. The proposed use and development (ALUC 24-01) as described in the Commission's March 4, 2024 staff report and the attached Exhibit "A" are herein incorporated by reference have the potential to be inconsistent with the ALUCP due to a variety of issues including but not limited to use compatibility, population density, light and glare impacts, and height, all of which could negatively impact aviation at the Colusa County Airport. However, based on the following facts, conditions on the proposed development and use, and contingent upon the agreement of project proponents to said conditions detailed herein, the proposed project would be consistent with the ALUCP:

A. Use Compatibility

1. The project site is predominately located within the ALUCP's C3 Compatibility Zone with a small portion in the C1 Zone.
2. Concerning the C3 zone, the proposed outdoor recreation and open space uses are considered normally compatible if the ALUCP density criteria are met. The residential uses are defined as normally compatible and there are no density requirements. The commercial use is defined as conditionally compatible provided that that the ALUCP density criteria are met.
3. Concerning the C1 zone, the approximate one-acre area residential area located in the C1 zone is defined as conditionally compatible provided that that the ALUCP density criteria are met.
4. Pursuant to Section B (Density) below, the density of the project would be consistent with the ALUCP requirements as conditioned with the C1 exception.

B. Density

1. The C3 Compatibility Zone specifies that for commercial, open space, and recreational uses the density of persons cannot exceed an average of 200 persons per acre and cannot exceed 800 persons in any single acre. While no such uses are proposed, the density standard are so high that the density standards will not be exceeded given the reasonably anticipated future uses.
2. For surety and to ensure consistency with the C3 density standards in the future, all future open space, recreation and commercial uses must meet the Maximum Sitewide Average density of 200 persons per acre and a Maximum Single Acre density of 800 persons. Should occupancy of the site be proposed to exceed the ALUCP's density standards, the occupancy density shall be reviewed by ALUC staff to determine whether said occupancy would require further consistency review by the ALUC. This consistency review shall occur prior to said occupancy exceeding said limits.
3. The C1 residential standard is an average density of 1 unit per 10 acres and a maximum density of 4 units per acre. The lots in the approximate one-acre C1 area are generally 0.24 acres or larger and together with the adjacent right-of-way the maximum density is less than the maximum density limit of 4 units per acre.

4. With respect to the average density standard of the C1 zone, the residential lots and portions thereof in the C1 zone are located at an intersection of four different compatibility zones (C1, C2, C3 and D). When the compatibility map was laid out in this area, the westerly edge of the C1 demarcation line was simply extended to the existing homes in the D zone even though portions of the D zone are closer to the flight pattern than the one-acre portion of the Westcott property in the C1 zone. In addition, the other portions of the Westcott property are in the C3 zone and are closer to the end of Runway 13 and flight paths, especially the crop duster flight path, than the subject C1 area.
5. Section 3.2.4 (Special Conditions Exception) of the ALUCP allows the Commission to find a normally incompatible use to be acceptable.
6. The Commission does hereby find that because the one-acre portion of the Westcott Ranch located in the C1 Compatibility Zone is located further away from the end of Runway 13 and straight in and out flight path than the residential lots of the adjacent D Compatibility Zone and other portions of the Westcott property in the C3 Compatibility Zone, approval of an exception to the average residential density of the C1 Compatibility Zone use would not create a safety hazard to people on the ground or aircraft in flight.
7. The Commission does hereby further find that due to the increased separation distance of one-acre portion of the Westcott Ranch located in the C1 Compatibility Zone that the area would be exposed to less aircraft noise (a maximum of approximately 64 dB Ldn) than other portions of the Westcott property (a maximum of approximately 67 dB Ldn) and therefore the area would not be subject to excessive noise exposure.

C. Building Height

1. The City's R-1, and R-2, and R-3 development standards allow residential structures to be constructed with 2.5 floors, or a maximum of 35-feet in total height. The C3 compatibility zones does not limit the number of floors and specifies a maximum height of 150 feet without Commission review. With respect to the C1 zone, the ALUCP limits the height to no more than 3 floors and 70 feet, without Commission review. The R-1 zone's height limits are well below the C3 and C1 height review triggers.
2. The future homes would also not require notification to the FAA under CFR Title 14 Part 77.13 as the estimated 50:1 notification height of 54 feet would not be exceeded.

D. Exterior Lighting and Glare Impacts

1. The installation of unshielded commercial, public/park, and street exterior lighting could create a negative impact to night-time aircraft flight operations.
2. No actual development is currently proposed and, as such, there is no exterior lighting design available to review. In order to ensure no future lighting impacts are created, the future commercial development, public and park uses, and street lighting of the subject property shall be conditioned to require that all exterior lighting shall be side-shielded and downward facing.
3. Should any exterior lighting violate said requirement and cause off-site glare, the lighting shall be reviewed by ALUC staff to determine whether said lighting would require further consistency review by the ALUC.

E. Avigation Easements

1. An Avigation Easement substantially consistent with the sample easement of ALUCP Appendix "E" shall be granted to the County of Colusa to the satisfaction of the Community Development Director prior to the approval of any final map or building permit issuance for the subject property.

F. Hazardous Materials

1. No hazardous materials have been proposed to be used with the proposed project that would trigger the submittal of a Hazardous Material Business Plan to the Colusa CUPA.
2. In the future should any hazardous materials be proposed, said proposal shall be reviewed by ALUC staff to determine whether said materials would require further consistency review by the ALUC. This determination and consistency review shall occur prior to any hazardous materials being brought on site.

G. Detention/Retention Pond

1. The proposed storm-water detention/retention ponds are defined as a conditional use in Compatibility Zone C3. In order to avoid attracting birds or other wildlife, the design of the ponds should detain storm water flows for the shortest period of time possible.
2. Should the ponds attract birds and wildlife in the future and cause a potential negative impact to aircraft operations as determined by ALUC staff, the issue shall be reviewed by the Commission to determine what mitigation measures shall be implemented to prevent said attraction.

H. Future Review

- 1. There are no current building plans available for review so a consistency determination by the Commission cannot be made of future development at this time. In order to ensure that the future actions and/or development is consistent with the ALUCP, future development, planning applications, any development agreement(s), or other actions potentially triggering a consistency review pursuant to the ALUCP shall be submitted to ALUC staff prior to City final approval to determine whether the consistency review is required by the ALUCP.

PASSED AND ADOPTED this 4th day of March, 2024 by the following vote:

- AYES:** Commissioners Able, Hamill, Muir, Myers and West.
- NOES:** Commissioner Lindquist.
- ABSENT:** Commissioner Redding.



 Peter Lindquist, Chair
 Airport Land Use Commission

ATTEST: Wendy G. Tyler, Secretary
Airport Land Use Commission



 Ann Nordyke, Chief Deputy Clerk

ATTEST TO FORM



 Richard Stout, County Counsel

ORDINANCE NO. 565

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLUSA
 APPROVING A DEVELOPMENT AGREEMENT AND REZONING PROPERTY
 IDENTIFIED AS ASSESSOR'S PARCEL NOS. 017-130-107 and 017-130-050 (Portion of)
 FROM R-1 (SINGLE FAMILY RESIDENTIAL DISTRICT) TO R-1/PD (SINGLE
 FAMILY RESIDENTIAL DISTRICT/PLANNED DEVELOPMENT), R-2/PD (TWO-
 FAMILY RESIDENTIAL DISTRICT/PLANNED DEVELOPMENT, R-3/PD
 (NEIGHBORHOOD APARTMENT DISTRICT/PLANNED DEVELOPMENT), CM/PD
 (COMMERCIAL PROFESSIONAL DISTRICT/PLANNED DEVELOPMENT), O-S
 (OPEN SPACE DISTRICT) AND P-F (PUBLIC FACILITY/PARK DISTRICT)
 (Westcott Subdivision)

BE IT ORDAINED by the Council of the City of Colusa that:

Section 1. The portion of real property situated in the City of Colusa, County of Colusa, State of California, identified as Assessor's Parcel Number 017-130-107 and 017-130-050 (portion of) is amended from R-1 (Single Family Residential) to 46.54 acres to R-1/PD (Single Family Residential District/Planned Development, 16.27 acres to R-2/PD (Two Family Residential District/Planned Development), 7.45 acres to R-3/PD (Neighborhood Apartment District/Planned Development), 1.17 acres to CM/PD (Commercial Professional District/Planned Development and 3.51 acres to P (Public Facilities/Parks District) and 14.03 acres to Open Space (Open Space Districted), as depicted on Exhibit I.

Section 2. The City Council finds that:

- A. The proposed rezone would be consistent with the General Plan in that there will continue to be sufficient land to accommodate growth and housing supply that is near existing infrastructure and services, that the zones changes provides for a variety of housing types that could be for sale and rental (Goal HSG-1, Policy HSG 1.1, HSG 1.3, HSG 1.4, HSG 1.5m HSG 1.6 and HSG 5.1). The rezone provides for continued housing pattern to be established and intensified within the city boundaries, while providing for a diversified economic base with balance between jobs, housing and infrastructure (Policy HSG 5.2, HSG 7.4, LU 5.1, LU 5.2, LU 6.3). The design of the subdivision allows for external and internal connectivity while also providing appropriate open spaces and parklands to minimize airport overflight impacts. The design also connects pedestrians and bicycle users to future and existing improvements

(Policy N-1.8, CCD 3.2, CCD 3.3, CCD 3.4); and

B. There are no physical or environmental constraints on the property which would prohibit use of the land consistent with the R-1/PD (Single Family Residential District/Planned Development), R-2/PD (Two-Family Residential District/Planned Development), R3/PD (Neighborhood Apartment District/Planned Development) CM/PD (Commercial Professional District/Planned Development) O-S Open space District and P_F (Public Facility/Park District) zoning regulations. The project site is flat with no environmental resources or habitat and is suitable for development and non-development that would be compatible with existing adjacent land uses and the Airport Land Use Compatibility Plan.

Section 3. That the Development Agreement is in the best interest of the City and the applicant to ensure advancement of city policies and development and build out of the site.

Section 4. This ordinance shall become effective 30 days following the date of its adoption.

THE FOREGOING ORDINANCE was adopted by the City Council of the City of Colusa at it meeting held on _____, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

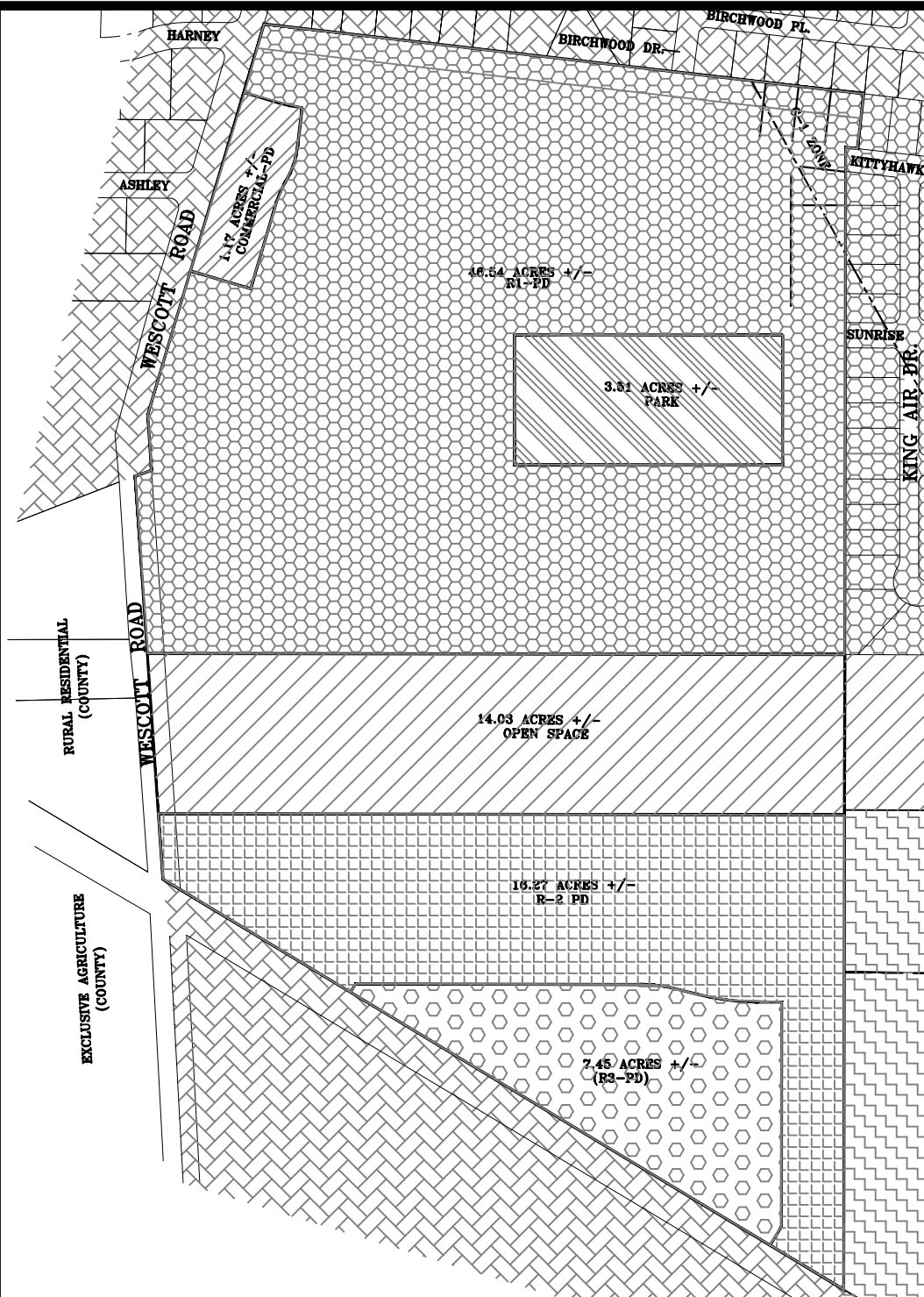
DANIEL VACA, MAYOR

ATTEST:

Shelly Kittle, City Clerk



1" = 400



OWNERS

BLUE HERON RIDGE INC
50 SUNRISE BLVD.
COLUSA, CA 95932
(530) 458-2118

WESCOTT RANCH LLC
642 5TH STREET
COLUSA, CA 95932

ENGINEER/SURVEYOR:
NORTH VALLEY ENGINEERING
AND SURVEYING





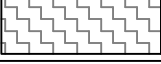

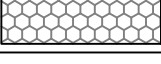

P. O. BOX 3082
YUBA CITY, CA 95993
(530) 713-0417

AREA OF ALL PARCEL
88.97 AC +/-

ZONE C-1 NOTES:

1- AREA OF SUBDIVISION WITHIN AIRPORT ZONE C-1 IS 1.097 ACRES MORE OR LESS.

2- NUMBER OF LOTS AFFECTED PARTIALLY OR TOTALLY BY ZONE C-1 ARE 6 LOTS (LOTS NO. 1,2,3,4,67 AND 68)

ZONING	GENERAL PLAN	ZONING	GENERAL PLAN
 O-S PD OPEN SPACE PLANNED DEVELOPMENT	PARKS RECREATION OPEN SPACE	 C-G PLANNED DEVELOPMENT	GENERAL COMMERCIAL DISTRICT PD
 P-F PUBLIC FACILITIES DISTRICT	PUBLIC FACILITY	 R-2 PLANNED DEVELOPMENT	MEDIUM DENSITY RESIDENTIAL PD
 M-1 LIGHT INDUSTRIAL	INDUSTRY DISTRICT	 R-3 PLANNED DEVELOPMENT	HIGH DENSITY RESIDENTIAL PD
 R-1 PD SINGLE FAMILY RESIDENTIAL DISTRICT PLANNED DEVELOPMENT	LOW DENSITY RESIDENTIAL	- - - - - ZONE C-1 COLUSA AIRPORT LAYOUT PLAN	
 R-1 SINGLE FAMILY RESIDENTIAL DISTRICT	LOW DENSITY RESIDENTIAL	PROPOSED ZONING & GP WESCOTT SUBDIVISION	

**DEVELOPMENT AGREEMENT
BY AND BETWEEN THE CITY OF COLUSA
AND BLUE HERON RIDGE, INC. AND
WESCOTT RANCH LLC/BRENAN & SONS RELATIVE TO THE
WESCOTT TENTATIVE SUBDIVISION PROJECT
(APN 017-130-170 AND 017-030-050 - Portion of)**

This Development Agreement is entered into this _____ day of _____ 2024, by and between the CITY OF COLUSA, a municipal corporation (“City”), and BLUE HERON RIDGE INC, and WESCOTT RANCH LLC/BRENNAN & SONS (“Developer”), pursuant to the authority of Sections 65864 through 65869.5 of the Government Code of California.

RECITALS

A. Authorization. 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 Section 65864, et seq., of the Government Code (the "Development Agreement Statute"), which authorizes the City of Colusa and an applicant for a development project to enter into a development agreement, establishing certain development rights in the Property which is the subject of the development project application.

B. Property. The subject of this Agreement is the development of those certain parcels of land, consisting of approximately 90.95± acres as described in Exhibit “A” and shown on Exhibit “B” (hereinafter the “Property”). and Landowner agrees to be bound by this Agreement.

C. The Property is currently undeveloped and is located within the City Limits.

D. The Modified Mitigated Negative Declaration adopted _____, 2024 reviewed the following land uses within the Property, to be incorporated into subsequent land use entitlements, as set forth below, for the following gross acres:

R-1/PD Low Density Residential- Planned Development	46.54 acres±
R-2/PD Medium Density Residential - Planned Development	16.27 acres ±
R-3/PD High Density Residential - Planned Development	7.45 acres ±

CM/PD Commercial - Planned Development	1.17 acres ±
P- Parks	3.51 acres ±
OS Open Space	14.03 acres ±

E. Current Project: The Current Project consists of a Tentative Subdivision Map titled Wescott Subdivision, General Plan Amendment, and Rezone subject to this Agreement and modifies the land uses within the boundaries of the Property to introduce a variety of land uses to be divided into the following designations:

R-1/PD Low Density Residential- Planned Development	170 lots
R-2/PD Medium Density Residential - Planned Development	53 lots
R-3/PD High Density Residential - Planned Development	1 lot
CM/PD Commercial - Planned Development	1 lot
P- Parks	1 lot
OS Open Space	2 lots

AGREEMENT

ARTICLE 1. GENERAL PROVISIONS

1.1 Incorporation of Recitals. The Preamble, the Recitals and all defined terms set forth in both are hereby incorporated into this Agreement as if set forth herein in full.

1.2 Property Description and Binding Covenants. The Property is that property described in Exhibits "A" and "B." Upon satisfaction of the conditions to recordation of the Agreement set forth in Section 1.5 below, the provisions of this Agreement shall constitute covenants which shall run with the Property and the benefits and burdens hereof shall bind and inure to all successors in interest to and assigns of the parties hereto. Accordingly, all references herein to "Landowner" shall mean and refer to BLUE HERON RIDGE INC and WESCOTT RANCH LLC/BRENNAN & SONS each and every subsequent purchaser or transferee of the Property or any portion thereof from BLUE HERON RIDGE INC and WESCOTT RANCH LLC/BRENNAN & SONS

1.3 Effective Date and Term.

1.3.1 Effective Date. The term of this Agreement shall commence upon the approval of the tentative map by the City Council. The Agreement shall be recorded against the Property within ten (10) days after City enters into the Agreement, as required by California Government Code Section 65868.5, provided, however, the terms and conditions of this Agreement shall not be binding upon the Property, nor shall Landowner have any development rights or improvement or payment obligations, with the exception of costs incurred by City in the processing of the Initial Entitlements, until tentative map approval.

1.3.2 Term. Upon approval by the City Council, the term of this agreement shall run concurrently with the tentative map and expire ten (10) years after approval of the Initial Entitlements and shall also be extended with the extension of any tentative maps.

1.3.3 Tolling and Extension During Legal Challenge or Moratoria. In the event that this Agreement or any of the Initial Entitlements (i.e. Annexation, LAFCO approval, General Plan Amendment, Tentative Parcel Map) or the environmental document or any subsequent approvals or permits required to implement the Initial Entitlements (such as any required wetlands fill permit or environmental document required under the National Environmental Protection Act (“NEPA”) related thereto) are subjected to legal challenge by a third party, and Landowner is unable to proceed with the Project due to such litigation (or Landowner gives written notice to City that it is electing not to proceed with the Project until such litigation is resolved to Landowner’s satisfaction), the term of this Agreement and timing for obligations imposed pursuant to this Agreement shall, upon written request of Landowner, be extended and tolled during such litigation until - the entry of final order of judgment upholding this Agreement and/or Initial Entitlements, or the litigation is dismissed by stipulation of the parties; provided, however, that, notwithstanding the foregoing, Landowner shall have the right to elect, in Landowner’s sole discretion, to proceed with the Project at any point by providing the City with written notice that it is electing to proceed with Project, in which event the tolling of the term of this Agreement shall cease as of the date of such notice.

Similarly, if Landowner is unable to develop the Property due to the imposition by the City or other public agency of a development moratoria for a health or safety reason unrelated to the performance of Landowner’s obligations hereunder (including without limitation, moratoria imposed due to the unavailability of water or sewer to serve the Property), then the term of this Agreement and timing for obligations imposed pursuant to this Agreement shall, upon written request of Landowner, be extended and tolled for the period of time that such moratoria prevents such development of the Property. Notwithstanding any extension or tolling of the term of this Agreement as provided above in this Section 1.3.5, the City shall at Landowner’s cost, process any preliminary plans submitted by Landowner, including, without

limitation, any applications for tentative parcel map or tentative subdivision approval, during such tolling period, provided, however, that Landowner waives the time limits set forth in the Subdivision Map Act or Permit Streamlining Act for any action by City during the tolling period to approve such tentative parcel map or tentative subdivision map or other development permit approval. In the event of a moratorium affecting tentative map or development permit approval, City shall not be obligated to approve such tentative map or development permit during the moratorium. In the event of a moratorium affecting the issuance of building permits, City shall process, but shall not be obligated to approve, any building permits during such moratorium.

1.4 Amendment of Agreement. This Agreement may be amended from time to time by mutual written consent of City and Landowner (and/or any successor owner of any portion of the physical area to which the benefit or burden of the amendment would apply), in accordance with the provisions of the Development Agreement Statute. If the proposed amendment affects less than the entirety of the Property, then such amendment need only be approved by the City and the owner(s) in fee of the portion(s) of the Property that is subject to or affected by such amendment.

1.4.1 Insubstantial Amendments. Notwithstanding the provisions of Section 1.4, for any amendments to this Agreement which do not relate to (a) the term of the agreement as provided in Section 1.3.2; (b) the permitted uses of the Property as provided in Section 2.1; (c) provisions for “significant” reservation or dedication of land; (d) conditions, terms, restrictions or requirements for subsequent discretionary actions; (e) the density or intensity of use of the Property; or (f) monetary contributions by Landowner as provided in this Agreement; the Project shall not, except to the extent otherwise required by law, require notice or public hearing before either the Planning Commission or the City Council before the parties may execute an amendment hereto.

1.4.2 Minor Modifications of Initial Entitlements. For purposes of this Section, minor modifications of Initial Entitlements shall mean any modification to the Project that does not relate to (i) the permitted uses of the Project, (ii) density or intensity of use, except as allowed pursuant to Section 2.3 of this Agreement, (iii) provisions for the reservation or dedication of land, (iv) conditions, terms, restrictions or requirements for Subsequent Entitlements, (v) the maximum height or size of proposed buildings; (vi) monetary contributions by Landowner; or (vii) public improvements to be constructed by Landowner (“Minor Modifications”). Minor Modifications of Initial Entitlements shall not require amendment of this Agreement, unless the Minor Modifications of the Initial Entitlements relates specifically to some provision of this Agreement. Further, Minor Modifications of Initial Entitlements may be processed under CEQA as exempt from CEQA, or with the preparation of a Negative Declaration or Mitigated Negative Declaration.

1.5 Recordation Upon Amendment or Termination. Except when this

Agreement is automatically terminated due to the expiration of the Term or the provisions of Section 1.3.2 above, the City shall cause any amendment hereto and any other termination hereof to be recorded, at Landowner’s expense, with the County Recorder within ten (10) days after City executes such amendment or termination. Any amendment or termination of the Agreement to be recorded that affects less than all the Property shall describe the portion thereof that is the subject of such amendment or termination.

ARTICLE 2. DEVELOPMENT OF THE PROPERTY

2.1 Permitted Uses. The permitted uses of the Property, shall be those set forth in the General Plan, as may be further refined in the Subsequent Entitlements. (i.e. Subdivision Map, General Development Plans, Conditional Major Use Permit). The density and intensity of use, the maximum height and size of proposed buildings, provisions for reservation or dedication of land for public purposes or payment of fees in lieu thereof, location of public utilities and improvements, the development standards and design guidelines, and other terms and conditions of development applicable to the Property shall be those set forth in the Subsequent Entitlements.

2.2 Vested Rights. Subject to the prohibition on physical development until Subsequent Entitlements are obtained with an approved tentative map, above, and the requirements of Section 2.4 below, Landowner shall have the fully vested right (“Vested Rights”) to develop the Property in accordance with the Initial Entitlements, including in particular the provision of this Development Agreement and the other Initial Entitlements, pursuant to the rules, regulations and official policies as set forth below. In the event of any conflict or inconsistency between this Development Agreement and the Existing Rules or between this Development Agreement and the other Initial Entitlements, this Development Agreement shall prevail and control.

2.3 Existing Rules. Unless otherwise expressly provided in Section 2.1 and Section 2.2, for the term of this Agreement, the City’s ordinances, rules, regulations and official policies governing the permitted and conditionally permitted uses of the Property, shall be those in force and effect on the Effective Date of this Agreement (the “Existing Rules”). The Existing Rules include the General Plan as adopted on _____, the Initial Study/Mitigated Negative Declaration with their mitigation measures which are subject to review monitoring by the City of Colusa, this Development Agreement, and the provisions of the City Zoning Ordinance applicable to the Property which governing documents are intended to be consistent with one another and interpreted together to form a unified whole. The Initial Entitlements as initially adopted shall be construed so as to be consistent with one another to the extent that the reconciliation of provisions is reasonably possible. In the event of any inconsistency between the foregoing, one shall govern over the other in descending order of priority such that the General Plan shall be given the greatest precedence and the applicable provisions of the Zoning Ordinance shall have the least precedence.

2.4 General Development Plan. Notwithstanding any other provision of this Agreement to the contrary, Landowner shall be required to enter into a General Development Plan(s) in conjunction with Subsequent Entitlements and shall not be able to develop the Property, or any portions thereof, until Landowner has entered into a General Development Plan(s).

2.5 Application of Subsequently Enacted Rules, Regulations and Official Policies. While City may enact new or modified tentative map conditions of approval, rules, regulations and official policies after the Effective Date ("New Rules"), such New Rules shall be applicable to the Property only to the extent that they do not conflict with the Existing Rules. Furthermore, City shall not be prevented from denying or conditionally approving any Subsequent Entitlements on the basis of such Existing Rules or New Rules that do not conflict with the Existing Rules.

2.6 Obligation to Meet and Confer. If City attempts to apply to the Project a Subsequent Entitlement or New Rule which Landowner believes to conflict with this Agreement or the other Initial Entitlement, Landowner shall provide to City in writing a notice describing the legal and factual basis for Landowner's position. The parties shall meet and confer within thirty (30) days after the date of such written notice with the objective of attempting to arrive at a mutually acceptable solution to this disagreement. If no mutually acceptable solution can be reached, either party may take such action as may be permitted under Article 5 below.

2.7 Uniform Codes and Standard Specifications. Nothing herein shall preclude City from applying to the Property standards contained in uniform building, construction, plumbing, fire or other uniform codes and Title 24 of the California Code of Regulations, relating to Building Standards in effect at the time of approval of the appropriate permits which may include building, grading or other construction permits for the Property, as the same may be adopted or amended from time to time by City, provided that the provisions of any such uniform code shall:

- (1) Apply to the Property only to the extent that such code is in effect on a City-wide basis; and
- (2) With respect to those portions of any such uniform code that have been adopted by City without amendment, be interpreted and applied in a manner consistent with the generally prevailing interpretation and application of such code in California.

2.8 Changes in State or Federal Laws or Regulations. Nothing herein shall preclude City from applying to the Property changes in the Existing Rules, the terms of which are specifically mandated and required by changes in state or federal laws or regulations. To the extent that such changes in the Existing Rules, prevent, delay or preclude compliance with one or more provisions of this Agreement or the other Initial

Entitlements, City may modify or suspend such provisions of the Agreement as may be necessary to comply with such state or federal laws or regulations and City and Landowner shall take such action as may be required pursuant to this Agreement to comply therewith.

2.9 Authority of City. This Agreement shall not be construed to limit the authority or obligation of City to hold necessary public hearings, or to limit discretion of City or any of its officers or officials with regard to rules, regulations, ordinances, laws and entitlements of use which require the exercise of discretion by City or any of its officers or officials, provided that subsequent discretionary actions shall not prevent or delay development of the Property for the uses and to the density and intensity of development as provided by the Initial Entitlements and this Agreement, in effect as of the Effective Date of this Agreement.

ARTICLE 3. LANDOWNER OBLIGATIONS

3.1 City Fees and Charges. Landowner shall pay those processing, inspection and plan check fees and charges required by City under the current regulations then in effect for processing applications and requests for permits, approvals and other actions, and monitoring compliance with any permits issued or approvals granted or the performance of any conditions with respect thereto or any performance required of Landowner hereunder, including paying costs incurred by City to conduct environmental review of the Initial Entitlements.

3.2 Applicable Fees; Time of Payment. The Property shall be subject to those development impact fees required by City's adopted Resolution No. 15-16, adopted April 21, 2015, and policies which are in effect at the time of individual building permit application. Further, the Property shall be subject to those dedications required by City's adopted ordinances, resolutions and policies which are in effect at the time of tentative map approval. Except as otherwise provided in Section 2.6 of this Agreement, any and all required payments of development, connection or mitigation fees by Landowner shall be made at the time and in the amount specified by then applicable City ordinances.

3.3.1 Formation, Consent, Waiver and Special Benefit. Landowner agrees to cooperate in the formation or annexation to, and agrees to take all acts necessary to the formation or annexation to one or more financing mechanism or assessment district for maintenance purposes, as chosen by the City (herein the "Services District"), and consents herewith to the levy of such special taxes as are necessary to fund the maintenance obligations described below. No residential building permit, excluding permits for model homes, shall be issued until the formation of, and inclusion of the Property in, the Services District. For purposes of Article XIIIID of the California Constitution, Landowner acknowledges hereby that all the services described herein to be provided by the Services District will provide a "special benefit" to the Property, as defined by said Article, and that the foregoing support and consent shall apply as to any claim that any portion of the services supported by the special tax does not provide special benefit to the property. The Services District shall:

a. Provide the City assured funding for the ongoing maintenance and operation of public facilities and all Improvements required herein or in the Project Approvals, whether such facilities and Improvements are located within or outside of the boundaries of the Project, including: public roads, public alleys and associated frontage improvements such as curb, gutter and sidewalks, intersection signals, and street signs; road special features (e.g. speed bumps, textured or painted surfaces, modified crosswalks, etc.); project monument signs; all public landscaping, including street frontage landscaping and road medians; streetlights within the property and upon the Property frontages and statuary, fountains or ornamental structures.

b. Cause to be established appropriate funding mechanisms, to the satisfaction of the City, to fund the ongoing maintenance of park facilities and improvements with the Project, and any other park improvements pursuant to the Project Approvals.

c. Cause to be established appropriate mechanisms, as determined appropriate by the City to fund the ongoing maintenance of drainage facilities within the project consistent with the Project Approvals.

d. Cause to be established appropriate funding mechanisms, as determined appropriate by the City, to maintain all public open space areas within the Property, other than improved park sites, including without limitation, maintaining bike trails and conducting weed abatement and providing fire prevention to the satisfaction of the City within such open space areas. Such fire prevention efforts may include flail mowing from adjacent private property lines into such open space areas and other such vegetation management efforts as deemed necessary by the City.

e. Conduct, manage and finance any environmental litigation monitoring as required by the Project Approvals.

Landowner acknowledges that the total annual cost of the maintenance obligations in this Article 3.3.1 is not known as of the Effective Date and will be determined in the future. The assessments listed herein shall be adjusted annually on each January 1, beginning one year after the recordation of a map, based on the Consumer Price Index. As used herein, the term, "Consumer Price Index" shall mean the United States Department of Labor Bureau of Labor Statistics Consumer Price Index, All Urban Consumer, All Items, San Francisco-Oakland-San Jose, California, or the successor of such index.

3.3.2 Public Parcel Exclusion. Landowner expressly agrees that parcels conveyed or to be conveyed to the City shall be excluded from any assessment to be imposed by the Services District.

3.3.3 Provisions Survive Termination. The provisions of this Article 3.3 shall survive the termination of the Agreement.

ARTICLE 4. CITY OBLIGATIONS

4.2.1 Subdivision Maps. City acknowledges that under Government Code Section 66452.6, the term of a tentative subdivision map will be automatically extended for a period of time where a subdivision is obligated to install certain improvements located outside the boundaries of the subdivision. In determining the term of any tentative

subdivision map that may be approved in the future by the City for the Property, or any portion thereof, and without limiting the effect of any other provisions of the Government Code dealing with map extensions, the City agrees that any public improvements, exceeding the value set forth in Section 66452.6 at the time of tentative map approval, shall be treated as such off-site improvements for purposes of applying Section 66452.6 of the Government Code.

A subdivision, as defined in Government Code Section 66473.7, shall not be approved unless any tentative map prepared for the subdivision complies with the provisions of said Section 66473.7. This provision is included in this Agreement to comply with Government Code Section 65867.5.

4.3 Moratorium, Quotas, Restrictions or Other Growth Limitations. Subject to applicable law relating to the vesting provisions of development agreements, Landowner and City intend that except as otherwise provided herein, this Agreement shall vest the Initial Entitlements against subsequent City resolutions, ordinances, growth control measures and initiatives or referenda, other than a referendum that specifically overturns City's approval of the Initial Entitlements, that would directly or indirectly limit the rate, timing or sequencing of development, or would prevent or conflict with the permitted uses, density and intensity of uses as set forth in the Initial Entitlements and that any such resolution, ordinance, initiative or referendum shall not apply to the Initial Entitlements and the Project. Landowner shall, to the extent allowed by the laws pertaining to development agreements, be subject to any growth limitation ordinance, resolution, rule, regulation or policy which is adopted and applied on a uniform, City-wide basis and directly concerns an imminent public health or safety issue. In such case, City shall apply such ordinance, resolution, rule, regulation or policy uniformly, equitably and proportionately to Landowner and the Property and to all other public or private owners and properties directly affected thereby. By way of example only, an ordinance which would preclude the issuance of a building permit due to a City-wide lack of adequate sewage treatment capacity to meet additional demand would directly concern an imminent public health issue under the terms of this paragraph and would support a denial of a building permit within the Property if approval would require additional sewage treatment capacity. However, an effort to limit the issuance of building permits because of a general increase in traffic congestion levels on City roads would not be deemed to directly concern a public health or safety issue under the terms of this paragraph.

4.4 Essence of Agreement. Articles 1, 2, 3 and 4 are the essence of this Agreement.

ARTICLE 5. DEFAULT, REMEDIES, TERMINATION

5.1 General Provisions. Subject to extensions of time by mutual consent in writing, failure or unreasonable delay by either party to perform any term or provisions of this Agreement shall constitute a default. In the event of alleged default or breach of any

term or condition of this Agreement, the party alleging such default or breach shall give the other party not less than thirty (30) days' notice in writing specifying the nature of the alleged default and the manner in which said default may be satisfactorily cured. During any such thirty (30) day period, the party charged shall not be considered in default for purposes of termination or institution of legal proceedings.

If the default is not cured by the defaulting party after notice and expiration of the thirty (30) day period, the other party to this Agreement at its option may institute any legal or equitable action to enforce its rights under this Agreement; provided, however, that if the default cannot be cured within such thirty (30) day period, the non-defaulting party shall refrain from any legal or equitable action so long as the defaulting party begins to cure such default within such thirty (30) day period and diligently pursues such cure to completion. Failure to give notice shall not constitute any waiver of any default. Notwithstanding the foregoing and in the event that the parties are unable to resolve this matter, the non-defaulting party may give notice of intent to terminate the Agreement pursuant to California Government Code Section 65868. Following notice of intent to terminate, the matter shall be scheduled for consideration and review by the City Council within thirty (30) calendar days in the manner set forth in Government Code Sections 65865, 65867 and 65868 and City regulations implementing such Sections.

Following consideration of the evidence presented in said review before the City Council, either party alleging the default by the other party may give written notice of termination of this Agreement to the other party.

Evidence of default may also arise in the course of a regularly scheduled periodic review of this Agreement pursuant to Government Code Section 65865.1. If either party determines that the other party is in default following the completion of the normally scheduled periodic review, said party may give written notice of default of this Agreement as set forth in this section, specifying in said notice the alleged nature of the default, and potential actions to cure said default and shall specify a reasonable period of time in which such default is to be cured. If the alleged default is not cured within thirty (30) days or within such longer period specified in the notice, or if the defaulting party waives its right to cure such alleged default, the other party may terminate this Agreement.

No building permit shall be issued or building permit application accepted for any structure on the Property if the permit applicant owns and controls any property subject to this Agreement, and if such applicant or entity or person controlling such applicant is in material default of the terms of this Agreement.

5.2 Annual Review.

5.2.1 Review Date. The annual review date for this Agreement shall be _____, 2025, and each year thereafter.

5.2.2 Initiation of Review. City shall, at least every twelve (12) months during the term of this Agreement, review the extent of good faith substantial compliance by Landowner with the terms of this Agreement. Such periodic review shall be limited in scope to compliance with the terms of this Agreement pursuant to Section 65865.1 of the Government Code and the monitoring of mitigation in accordance with Section 21081.6 of the Public Resources Code of the State of California. Notice of such annual review shall include the statement that any review of obligations of Landowner as set forth in this Agreement may result in termination of this Agreement. A finding by City of good faith compliance by Landowner with the terms of the Agreement shall be conclusive with respect to the performance of Landowner during the period preceding the review. To the extent this cost is not included in other fees or costs paid by Landowner, Landowner shall be responsible for the cost reasonably and directly incurred by the City to conduct such annual review, the payment of which shall be due within thirty (30) days after conclusion of the review and receipt from the City of the bill for such costs.

Upon, not less than thirty (30) days written notice by the City, Landowner shall provide such information as may be reasonably requested and deemed to be required by the City in order to ascertain compliance with this Agreement.

In the same manner prescribed in Section 10, the City shall deposit in the mail to Landowner a copy of all staff reports and related exhibits concerning contract performance and, to the extent practical, at least ten (10) calendar days prior to any such periodic review. Landowner shall be permitted an opportunity to be heard orally or in writing regarding its performance under this Agreement before the City Council or, if the matter is referred to the Planning Commission, before the Planning Commission.

If City takes no action within thirty (30) days following a required public hearing to discuss the annual review findings, Landowner shall be deemed to have complied in good faith with the provisions of the Agreement.

5.3 Enforced Delay, Extension of Times of Performance. In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default where delays or default are due to war, insurrection, strikes, walkouts, riots, floods, drought, earthquakes, fires, casualties, acts of God, acts of terrorism, governmental restrictions imposed or mandated by other governmental entities, enactment of conflicting state or federal laws or regulations, litigation, or similar bases for excused performance. If written notice of such delay is given to City within thirty (30) days of the commencement of such delay, an extension of time for such cause shall be granted in writing for the period of the enforced delay, or longer as may be mutually agreed upon.

5.4 Legal Action. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to enforce any covenant or

agreement herein, or to enjoin any threatened or attempted violation. Provided, however, that the Landowner, its successors and assigns hereby waive any and all claims for monetary damages against City arising out of this Agreement at any time. All legal actions shall be initiated in the Superior Court of the County of Colusa, State of California.

5.5 Effect of Termination. If this Agreement is terminated following any event of default of Landowner or for any other reason, such termination shall not affect the validity of any building or improvement within the Property which is completed as of the date of termination, provided that such building or improvement has been constructed pursuant to a building permit issued by the City. Furthermore, no termination of this Agreement shall prevent Landowner from completing and occupying any building or other improvement authorized pursuant to a valid building permit previously issued by the City that is under construction at the time of termination, provided that any such building or improvement is completed in accordance with said building permit in effect at the time of such termination.

5.6 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California. This Agreement has been reviewed by legal counsel both for City and Landowner, and therefore no presumption or rule that ambiguity shall be construed against the party drafting the agreement shall apply.

ARTICLE 6. HOLD HARMLESS AGREEMENT

Landowner and its successors-in-interest and assigns, hereby agrees to, and shall defend, indemnify, and hold City, its elective and appointive boards, commissions, officers, agents, employees and representatives harmless from any and all claims, costs (including legal fees and costs), liability for damage or claims for damage for personal injury, or bodily injury including death, as well as from claims for property damage which may arise from Landowner's performance of this Agreement, or of Landowner's contractors, subcontractors, agents, or employees under this Agreement, including attorneys' fees, whether such performance be by Landowner, or by any of Landowner's contractors or subcontractors, or by any one or more persons directly or indirectly employed by, or acting as agent for, Landowner or Landowner's contractors or subcontractors, unless such damage or claim arises from the sole negligence or willful misconduct of City. In addition to the foregoing indemnity obligation, Landowner agrees to and shall defend, indemnify and hold City, its elective and appointive boards, commissions, officers, agents and employees harmless from any suits or actions at law or in equity arising out of the execution, adoption or implementation of this Agreement, exclusive of any such actions brought by Landowner, its successors-in-interests or assigns. City acknowledges hereby that the foregoing liability of Landowner shall be limited to its interest in the Property and that neither Landowner nor any of its partners, officers, shareholders, employees or agents shall have any personal liability therefore. This indemnification provision

survives termination of this Agreement.

ARTICLE 7. PROJECT AS A PRIVATE UNDERTAKING

It is specifically understood and agreed by and between the parties hereto that the subject project is a private development. No partnership, joint venture or other association of any kind is formed by this Agreement.

ARTICLE 8. COOPERATION IN THE EVENT OF LEGAL CHALLENGE

In the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of any provision of this Agreement, the parties hereby agree to cooperate in defending said action. Landowner shall bear its own costs of defense as a real party in interest in any such action, and shall reimburse City for all reasonable court costs and attorneys' fees expended by City in defense of any such action or other proceeding and for any attorney's fees and costs awarded to a party to be paid by City.

ARTICLE 9. GENERAL

9.1 Enforceability. The City agrees that unless this Agreement is amended or canceled pursuant to the provisions of this Agreement and the Adopting Ordinance, this Agreement shall be enforceable by any party hereto notwithstanding any change hereafter in any applicable general plan, specific plan, zoning ordinance, subdivision ordinance or building regulation adopted by City, or by initiative, which changes, alters or amends the rules, regulations and policies applicable to the development of the Property at the time of approval of this Agreement, as provided by Government Code Section 65866.

9.2 City Finding. The City hereby finds and determines that execution of this Agreement is in the best interest of the public health, safety and general welfare and is consistent with the General Plan.

9.3 Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of Landowner and City and their successors and assigns: No other person shall have any right of action based upon any provision in this Agreement.

9.4 Severability. Except as set forth herein, if any term, covenant or condition of this Agreement or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to persons, entities or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law; provided, however, if any provision of this Agreement is

determined to be invalid or unenforceable and the effect thereof is to deprive a party hereto of an essential benefit of its bargain hereunder, then such party so deprived shall have the option to terminate this entire Agreement from and after such determination.

9.5 Construction. This Agreement shall be subject to and construed in accordance and harmony with the City of Colusa City Code, as it may be amended, provided that such amendments do not impair the rights granted to the parties by this Agreement.

9.6 Other Necessary Acts. Each party shall execute and deliver to the other all such other further instruments and documents as may be reasonably necessary to carry out this Agreement in order to provide and secure to the other party the full and complete enjoyment of its rights and privileges hereunder.

9.7 Estoppel Certificate. Either party may, at any time, and from time to time, deliver written notice to the other party requesting such party to certify in writing that, to the knowledge of the certifying party, (i) this Agreement is in full force and effect and a binding obligation of the parties, (ii) this Agreement has not been amended or modified, or if so amended, identifying the amendments, and (iii) to the knowledge of the certifying party, the requesting party is not in default in the performance of its obligations under this Agreement, or if in default, to describe therein the nature of such default. The party receiving a request hereunder shall execute and return such certificate within thirty (30) days following the receipt thereof. City acknowledges that a certificate hereunder may be relied upon by transferees and mortgagees of Landowner.

9.8 Mortgagee Protection. The parties hereto agree that this Agreement shall not prevent or limit Landowner, in any manner, at Landowner's sole discretion, from encumbering the Property or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to the Property, except as limited by the provisions of this section. City acknowledges that the lenders providing such financing may require certain Agreement interpretations and modifications and agrees upon request, from time to time, to meet with Landowner and representatives of such lenders to provide any such request for interpretation. City will not unreasonably withhold its consent to any such requested interpretation provided such interpretation is consistent with the intent and purposes of this Agreement. The Parties agree that the following shall apply to any Mortgagee of the Property:

(a) Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the Property made in good faith and for value, unless otherwise required by law, but all of the terms and conditions contained in this Agreement shall be binding upon and effective against any person or entity, including any deed of trust beneficiary or Mortgagee who acquires title to the Property, or any portion thereof, by foreclosure, trustee's sale, deed in lieu of foreclosure, or otherwise.

(b) The Mortgagee of any mortgage or deed of trust encumbering the Property, or any part thereof, which Mortgagee has submitted a request in writing to City in the manner specified herein for giving notices, shall be entitled to receive written notification from City of any default by Landowner in the performance of Landowner's obligations under this Agreement.

(c) If City receives a timely request from a Mortgagee requesting a copy of any notice of default given to Landowner under the terms of this Agreement, City shall provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to Landowner. The Mortgagee shall have the right, but not the obligation, to cure the default during the remaining cure period allowed to Landowner under this Agreement.

(d) Any Mortgagee who comes into possession of the Property, or any part thereof, by any means, whether pursuant to foreclosure of the mortgage deed of trust, or deed in lieu of such foreclosure or otherwise, shall take the Property, or part thereof, subject to the terms of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, no Mortgagee shall have an obligation or duty under this Agreement to perform any of Landowner's obligations or other affirmative covenants of Landowner hereunder, or to guarantee such performance; provided, however, that to the extent that any covenant to be performed by Landowner is a condition precedent to the performance of a covenant by City, the performance thereof shall continue to be a condition precedent to City's performance hereunder, and further provided that any sale, transfer or assignment by any Mortgagee in possession shall be subject to the provisions of Article 11 of this Agreement.

9.9 Insurance. At all times that Landowner is constructing any improvements that will become public improvements, Landowner agrees that Landowner may be required to maintain in effect a policy of comprehensive general liability insurance and name City as an additional insured on all policies evidencing such insurance. Any such obligation imposed upon Landowner by City shall automatically terminate, without any further action by either party, upon City acceptance of such public improvements, unless otherwise extended by a written agreement between Landowner and City.

ARTICLE 10. NOTICES

All notices required by this Agreement, the enabling legislation, or the procedure adopted pursuant to Government Code Section 65865, shall be in writing and delivered in person or sent by certified mail, postage prepaid.

Notice required to be given to the City shall be addressed as follows:

City Manager
City of Colusa
425 Webster Street

Colusa, CA 95932

With a copy to:

City Attorney
City of Colusa
425 Webster Street
Colusa, CA 95932

Notice required to be given to the Landowners shall be addressed as follows:

BLUE HERON RIDGE, INC.
C/O Ed Hulbert
50 Sunrise Blvd.
Colusa, CA 95932

WESCOTT RANCH LLC/BRENNAN & SONS
642 5th Street #8
Colusa, CA 95932

Any of the parties may change the address stated herein by giving notice in writing to the other parties, and, thereafter, notices shall be addressed and delivered to the new address.

ARTICLE 11. ASSIGNMENT

From and after recordation of this Agreement against the Property, Landowner shall, subject to providing advance written notice of such assignment to City, have the full right to assign this Agreement as to the Property, or any portion thereof, in connection with any sale, transfer or conveyance thereof, and upon the express written assignment by Landowner and assumption by the assignee of such assignment in the form attached hereto as Exhibit "C" and the conveyance of Landowner's interest in the Property related thereto, Landowner shall be released from any further liability or obligation hereunder related to the portion of the Property so conveyed and the assignee shall be deemed to be the "Landowner", with all rights and obligations related thereto, with respect to such conveyed property.

ARTICLE 12. FINAL AGREEMENT

This Agreement constitutes the final agreement between the parties hereto relative

to those development rights of Landowner provided for in the Initial Entitlements under the Development Agreement Statute. Development rights of Landowner under Subsequent Entitlements shall be the subject of a future tentative map application. This Agreement constitutes the entire understanding and agreement of the parties.

ARTICLE 13. FORM OF AGREEMENT, EXHIBITS

This Agreement is executed in two duplicate originals, each of which is deemed to be an original. This Agreement, inclusive of its Recitals and Exhibits, constitutes the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the City of Colusa has authorized the execution of this Agreement in duplicate by its City Manager and attested to by its City Clerk under the Authority of _____, adopted by the City Council of the City of Colusa on the _____ day of _____ 2024.

CITY OF COLUSA

LANDOWNER:
BLUE HERON RIDGE, INC.*

By: _____
City Manager

By: _____

Its: _____

ATTEST:

LANDOWNER:
WESCOTT RANCH LLC/BRENNAN & SONS*

By: _____
City Clerk

By: _____

Its: _____

*signatures to be notarized

LIST OF EXHIBITS

Exhibit A Property Legal Description

Exhibit B Westcott Tentative Subdivision Map

EXHIBIT "A"**PARCEL "A"**

ALL THAT REAL PROPERTY SITUATED IN THE CITY OF COLUSA STATE OF CALIFORNIA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL NO. 1 AS SHOWN ON THAT CERTAIN PARCEL MAP OF TRACT NO. 79-3-5 BEING A DIVISION IN SECTIONS 5 AND 6, AND IN THE JIMENO RANCHO IN T 15 N R1 W, M.D.B. & M., FILED JUNE 27, 1979 IN BOOK 2 OF PARCEL MAPS, AT PAGE 60.

TOGETHER AND COMBINED WITH THE FOLLOWING DESCRIBED PROPERTY:

BEGINNING AT THE SOUTHWESTERLY CORNER OF LOT 97 OF SUNRISE LANDING SUBDIVISION, PHASE I, THE OFFICIAL MAP THEREOF, FILED FOR RECORD ON NOVEMBER 27, 2019 IN BOOK 2 OF SUBDIVISION MAPS, AT PAGE 37, COLUSA COUNTY RECORDS. THENCE ALONG THE WESTERLY EXTENSION OF SAID LOT 97 S 90° 00' 00" W, 6.16' TO THE EASTERLY PROPERTY LINE OF SAID PARCEL 1; THENCE ALONG THE EASTERLY LINE OF SAID PARCEL 1 N 0° 05' 54" E, 133.24' TO THE NORTH EASTERLY CORNER OF SAID PARCEL 1. SAID POINT BEING ALSO ON THE NORTHERLY BOUNDARY OF SAID SUNRISE LANDING PHASE 1; THENCE ALONG SAID NORTHERLY BOUNDARY S 83° 32' 58" E, 20.90' TO THE NORTHWESTERLY CORNER OF SAID LOT 97; THENCE ALONG THE WESTERLY LINE OF SAID LOT 97 S 6° 27' 46" W, 132.44' TO THE POINT OF BEGINNING. (THE BASIS OF BEARING OF THIS DESCRIPTION IS THE SAME AS THE BASIS OF BEARING OF SAID SUNRISE LANDING PHASE 1).

EXCEPTING THEREFROM ALL THAT PORTION OF SAID PARCEL 1 LYING SOUTHWESTERLY OF THAT CERTAIN PROPERTY DESCRIBED IN THE DEED FROM C. W. TUTTLE, ET AL, AS GRANTOR, TO COLUSA & HAMILTON RAILROAD COMPANY, A CORPORATION, AS GRANTEE, RECORDED NOVEMBER 28, 1911 IN BOOK 74, PAGE 392 OF DEEDS OF COLUSA COUNTY OFFICIAL RECORDS

CONTAINING 90.012 ACRES MORE OR LESS

THIS DESCRIPTION IS PREPARED FOR CITY OF COLUSA LOT LINE ADJUSTMENT NO. 02-24.



George L. Musallam

SIGNED ELECTRONICALLY ON 4-30-2024

PROJECT NOTES:

OWNERS

BLUE HERON RIDGE INC
50 SUNRISE BLVD.
COLUSA, CA 95932
(530) 458-2118

WESCOTT RANCH LLC
642 5TH STREET
COLUSA, CA 95932

DEVELOPER:

COLUSA INDUSTRIAL PROPERTIES
50 SUNRISE BLVD.
COLUSA, CA 95932
(530) 458-2118

ENGINEER/SURVEYOR:

GEORGE L. MUSALLAM LS 7104
NORTH VALLEY ENGINEERING
AND SURVEYING
1547 STARR DRIVE SUITE "J"
YUBA CITY, CALIFORNIA 95993
(530) 713-0417

ASSESSOR'S PARCEL NUMBER:

APN: 017-130-107(1.98 AC +/-)
APN: 017-030-050 PORTION OF (88.97 AC +/-)

AREA OF ALL PARCEL

88.97 AC +/-

EXISTING USE:

ROW CROP

EXISTING ZONING:

R-1

PROPOSED ZONING:

R-1/PD LOW DENSITY RESIDENTIAL-PLANNED DEVELOPMENT (46.54 AC +/-)
R-2/PD MEDIUM DENSITY RESIDENTIAL-PLANNED DEVELOPMENT (16.27 AC +/-)
R-3/PD HIGH DENSITY RESIDENTIAL-PLANNED DEVELOPMENT (7.45 AC +/-)
CM/PD COMMERCIAL- PLANNED DEVELOPMENT (1.17 AC +/-)
PARK (3.51 AC +/-)
OS OPEN SPACE (14.03 AC +/-)

WATER, SEWER

CITY OF COLUSA

STORM DRAINAGE

CITY OF COLUSA

GROUND SLOPE

PROPERTY HAS BEEN LEVELED
1% SLOPE IN THE SOUTHWEST DIRECTION

UNDERGROUND ALERT SERVICES:

1-800-642-2444

ELECTRIC & NATURAL GAS:

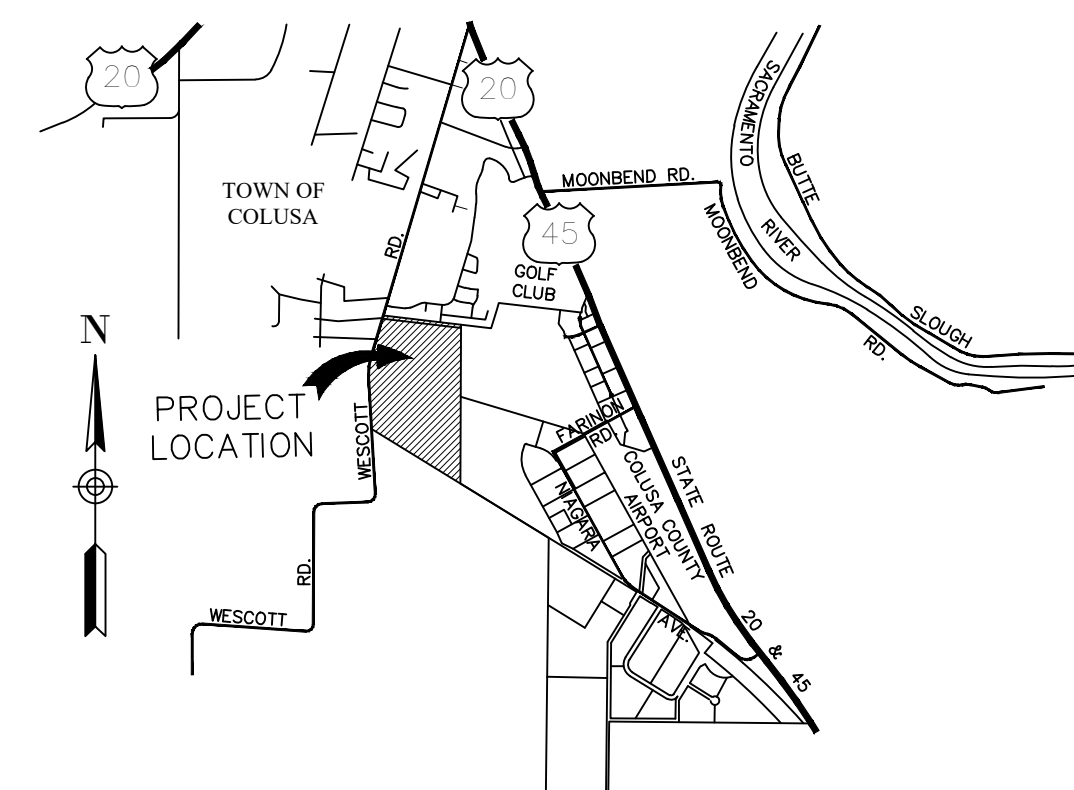
PACIFIC GAS AND ELECTRIC

COMMUNICATIONS

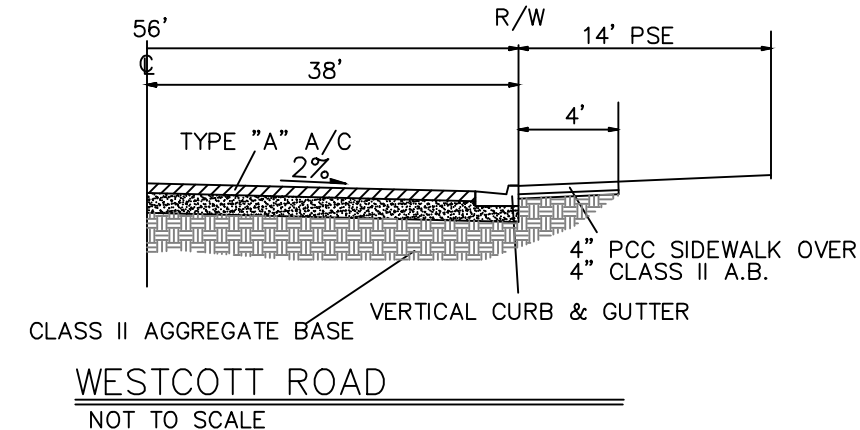
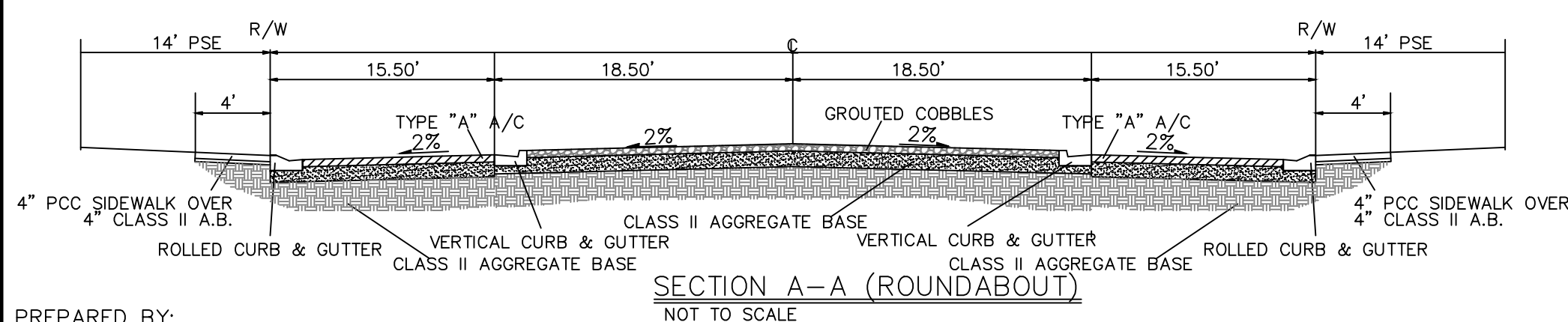
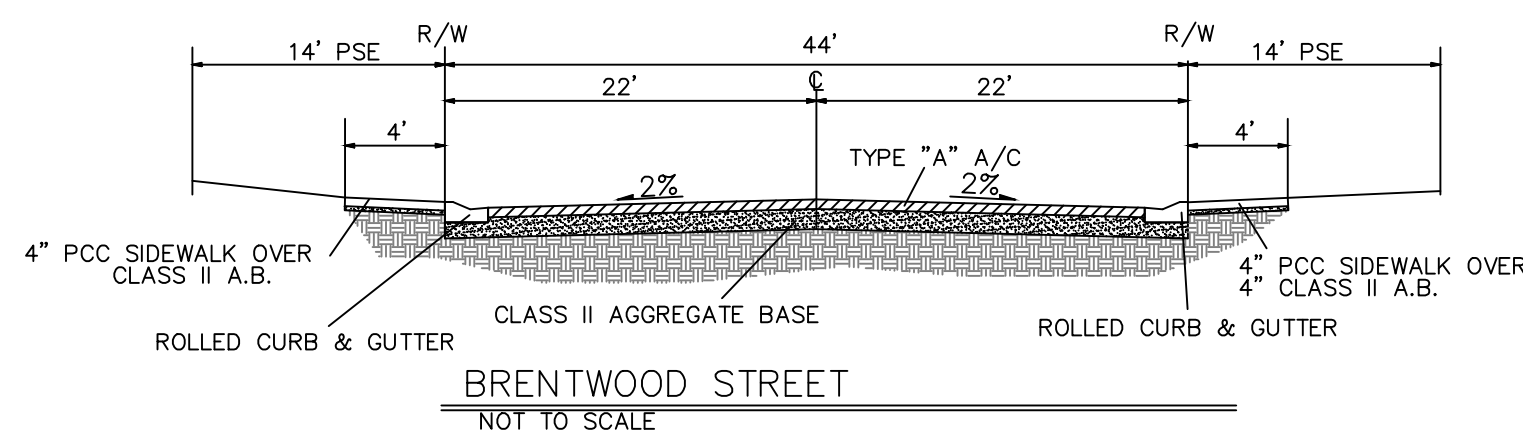
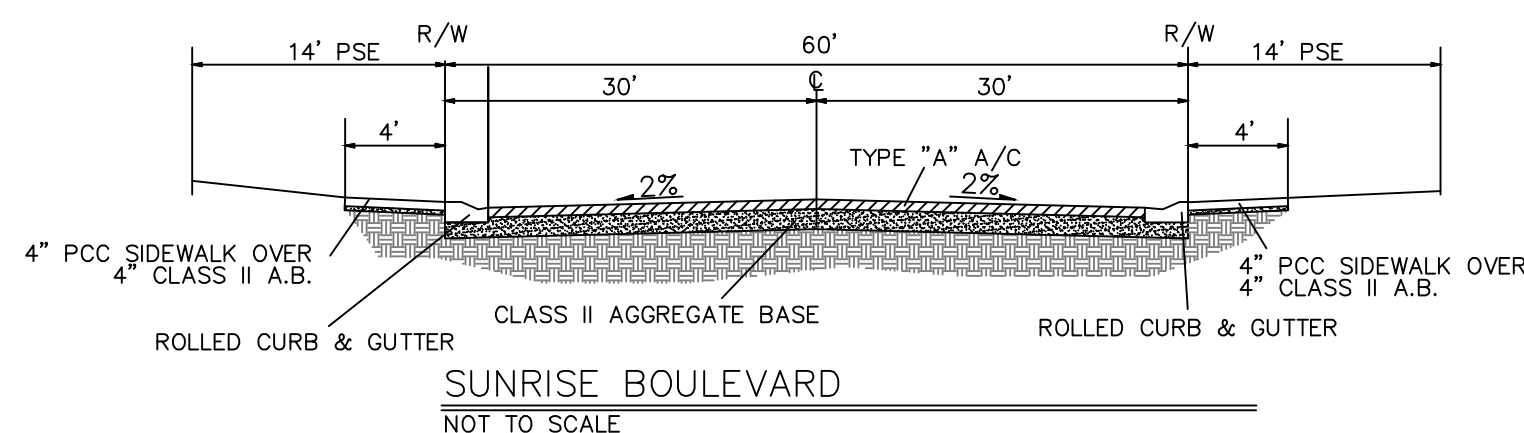
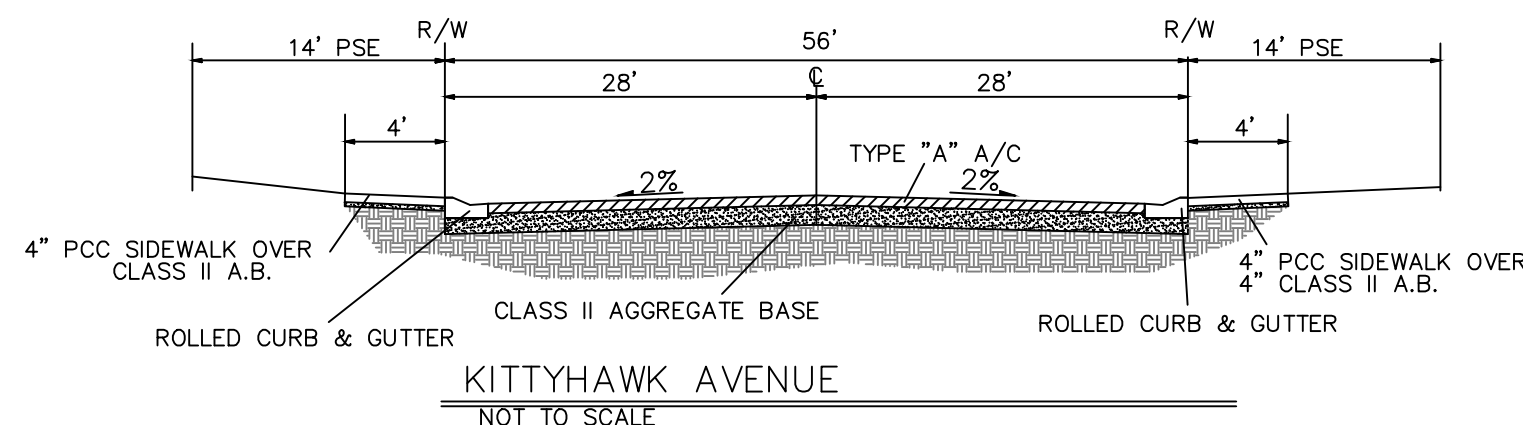
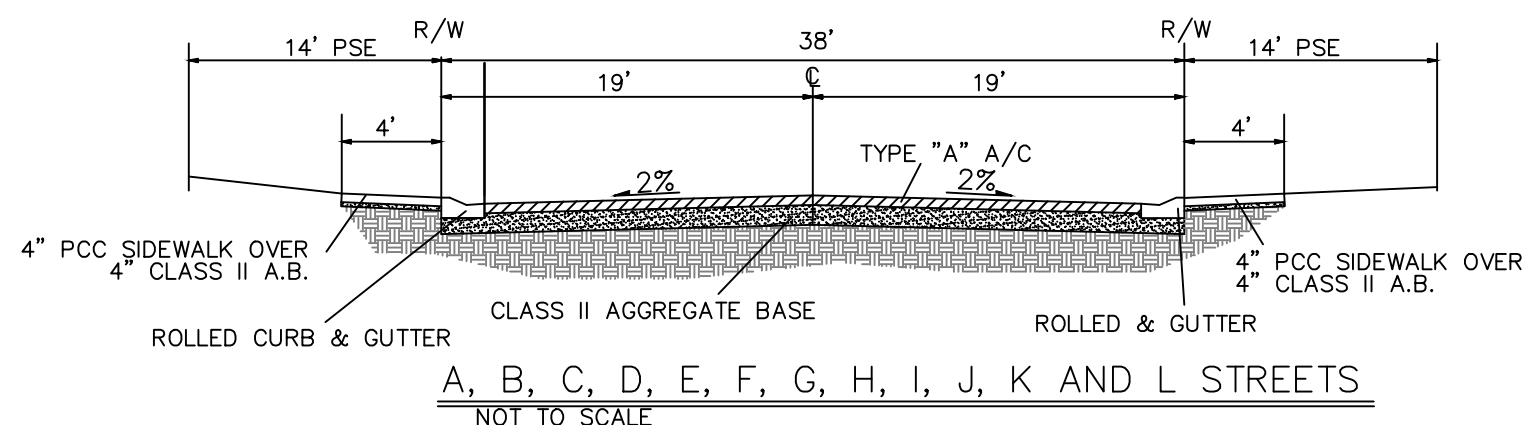
AT & T AND COMCAST

CABLE

COMCAST

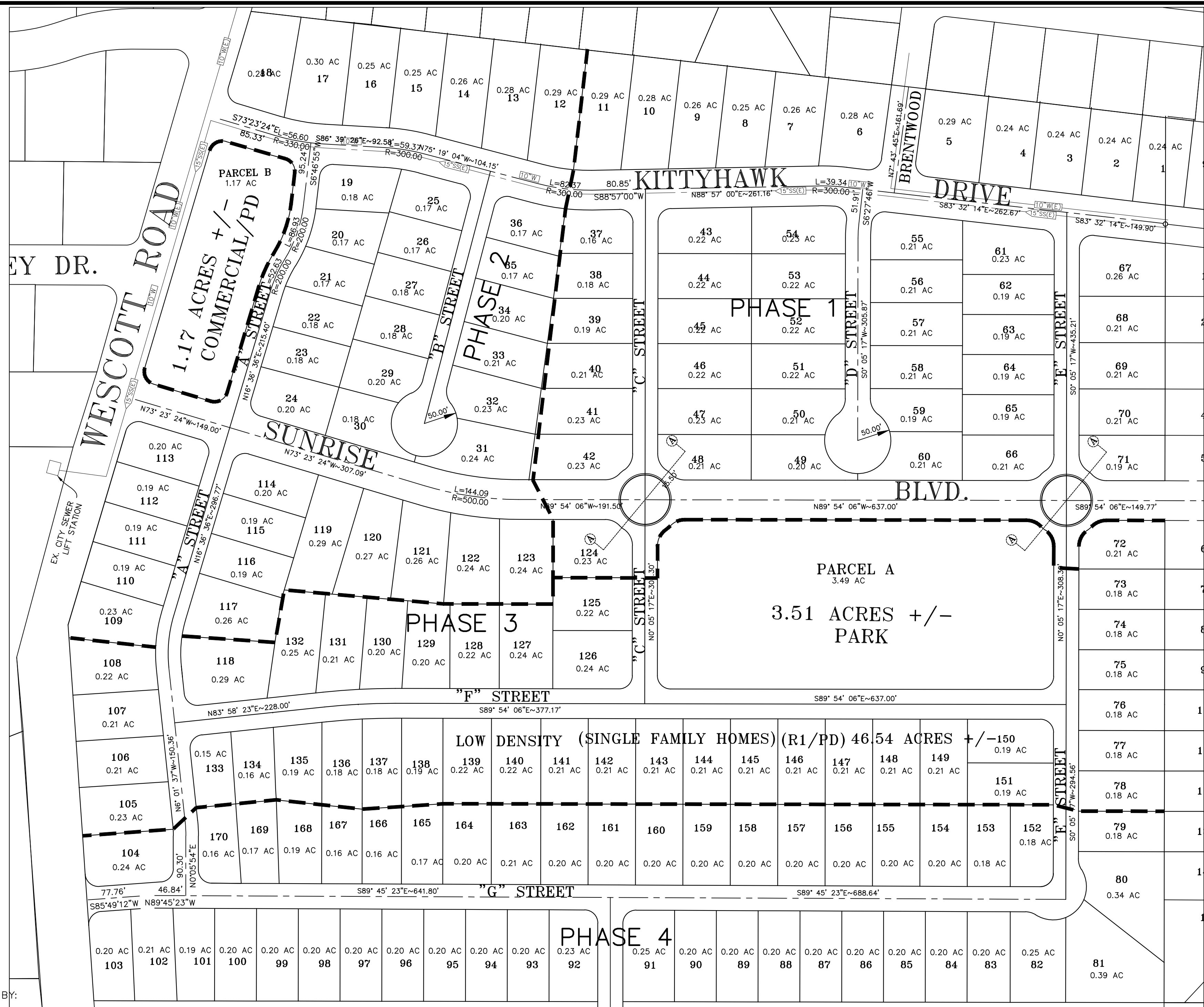
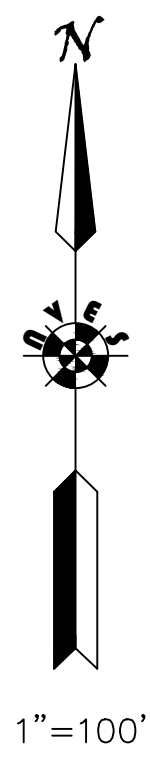


VICINITY MAP
NOT TO SCALE



PREPARED BY:
NVE
NORTH VALLEY ENGINEERING AND SURVEYING
1547 STARR DRIVE SUITE "J"
YUBA CITY, CA 95993
(530) 713-0417

WESCOTT SUBDIVISION
BLUE HERRON INC/WESCOTT RANCH LLC
BEING A PORTION OF SECTION 5, T. 15 N., R. 1 W., M.D.B.&M.
COUNTY OF COLUSA, IN THE STATE OF CALIFORNIA.
OCTOBER 2023

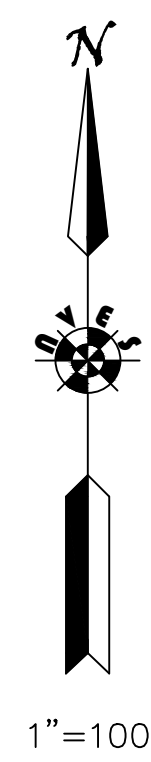
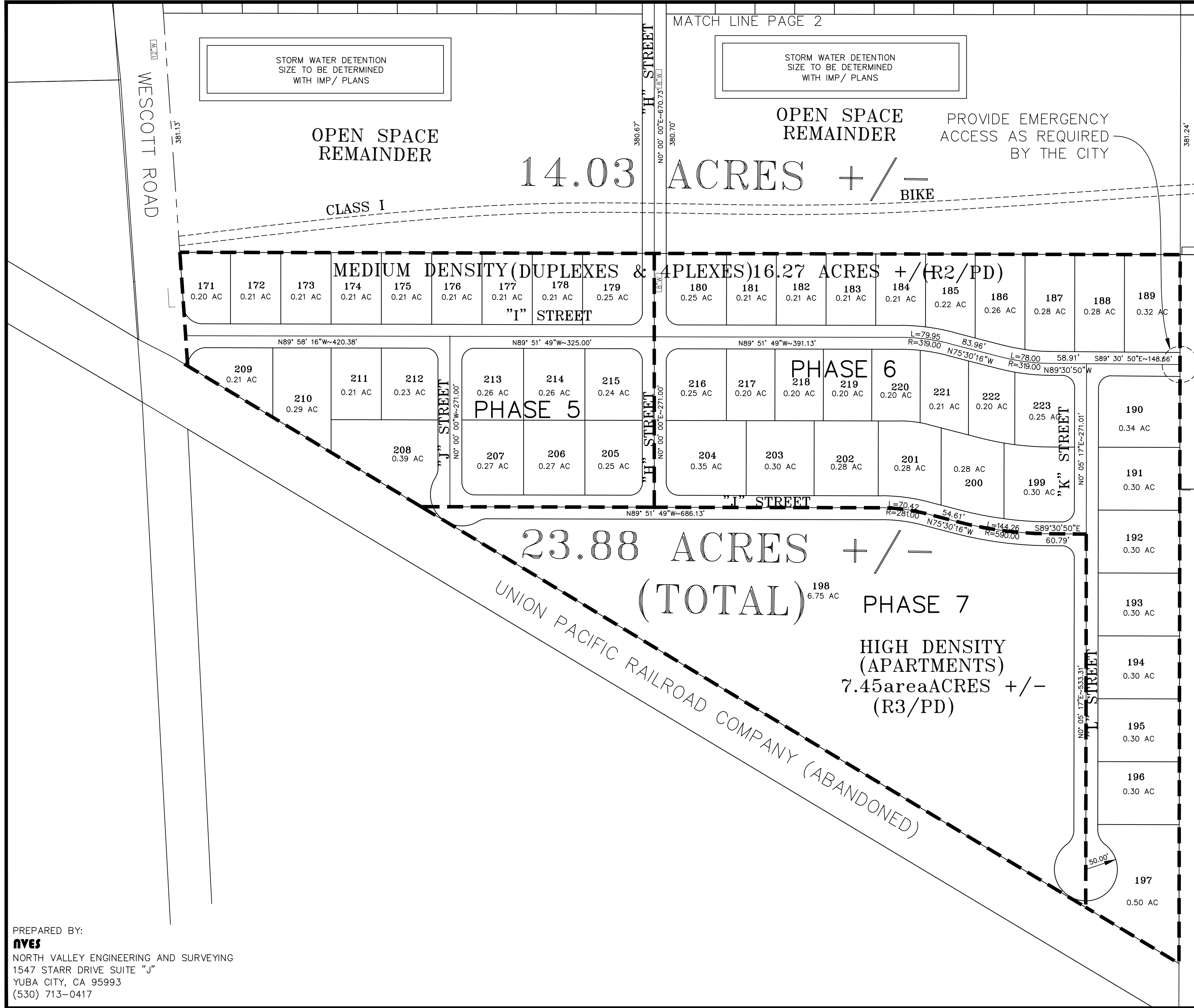


NOTE:
 PHASE 1 48 LOTS
 PHASE 2 39 LOTS
 PHASE 3 38 LOTS
 PHASE 4 45 LOTS

PREPARED BY:
RYES
 NORTH VALLEY ENGINEERING AND SURVEYING
 1547 STARR DRIVE SUITE "J"
 YUBA CITY, CA 95993
 (530) 713-0417

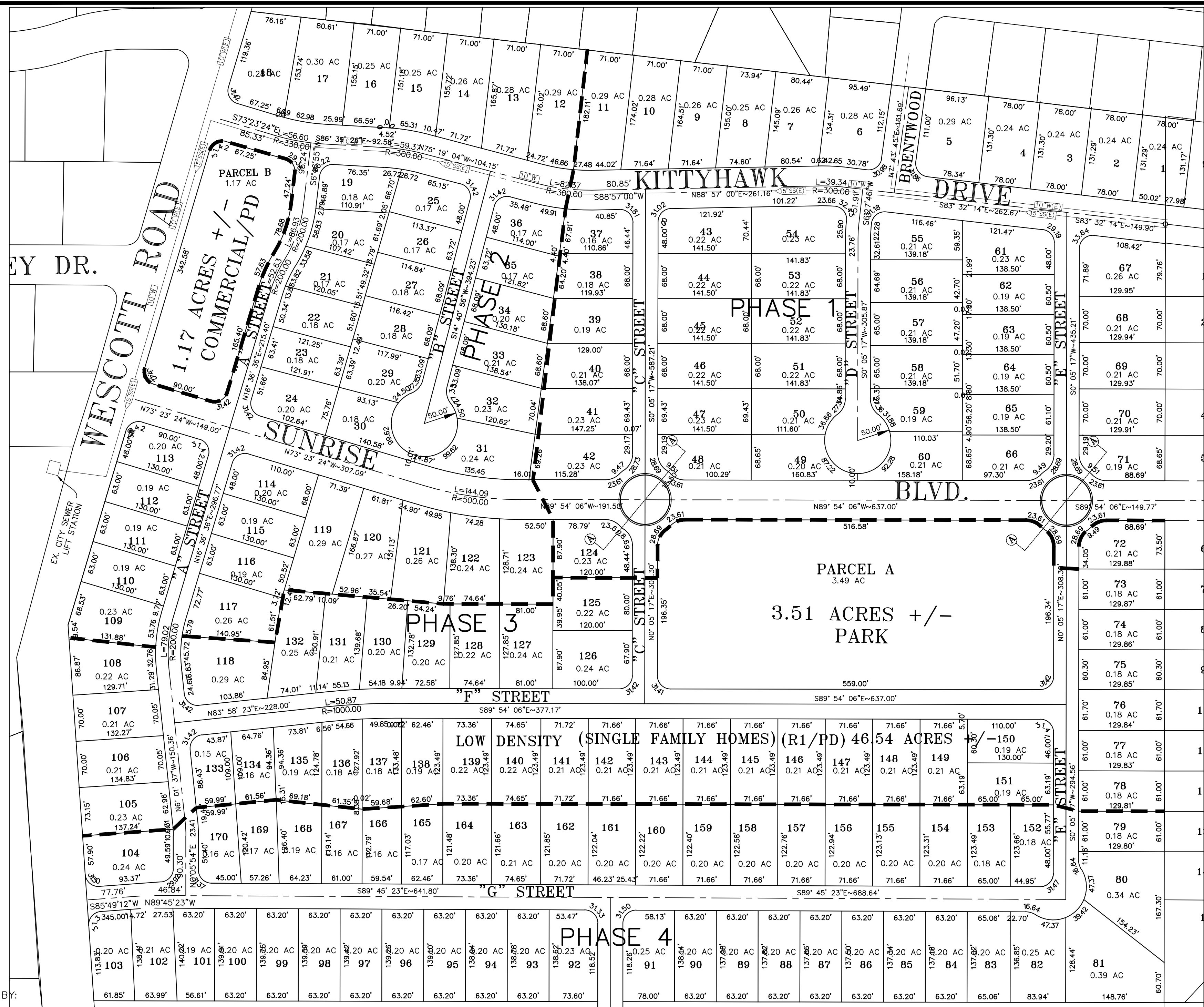
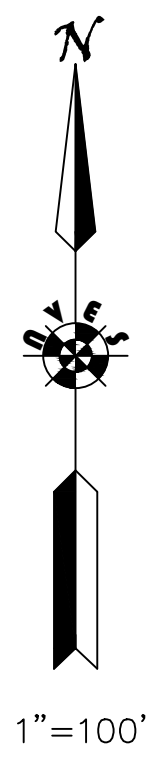
MATCH LINE PAGE 3

WESCOTT SUBDIVISION
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 OCTOBER 2023 PAGE 2 OF 3



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WESCOTT SUBDIVISION
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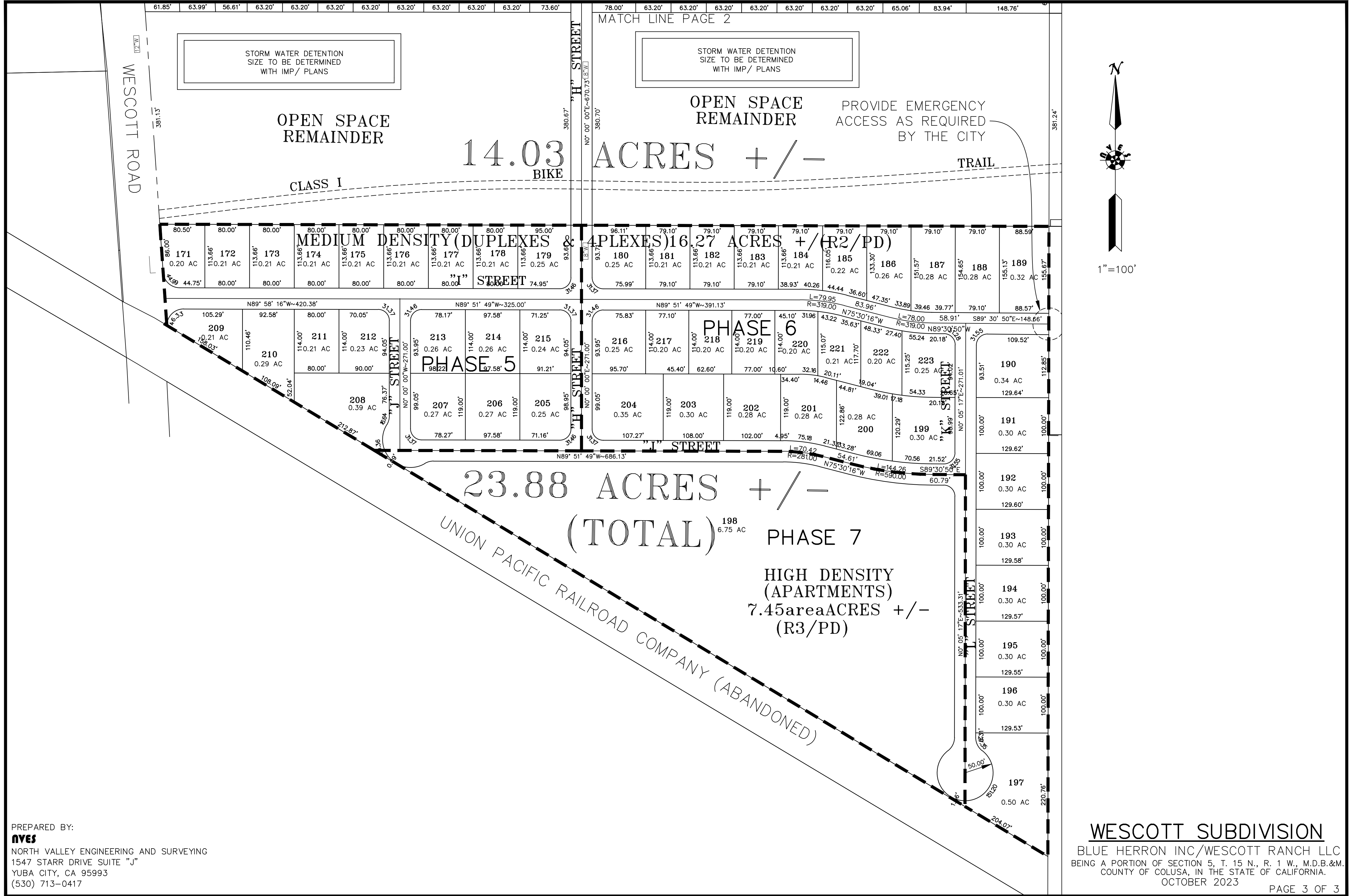


NOTE:
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MATCH LINE PAGE 3

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 OCTOBER 2023



Comments and Response on the Draft Mitigated Negative Declaration and Initial Study Wescott Subdivision

This attachment contains all of the written comments received by the City of Colusa (Lead Agency) on the completed Draft Initial Study/Mitigated Negative Declaration (“IS/MND”) for the Wescott Subdivision, General Plan Amendment, Rezone and Development Agreement (“proposed project”).

Written comments were received during a 30-day comment period for the Draft IS/MND, which extended from May 23, 2024 and ended on June 26, 2024. Pursuant to the California Environmental Quality Act (CEQA), prior to approving a project, the decision-making body of the lead agency must consider the proposed IS/MND, together with all comments received during the public review process (CEQA Guideline Section 15074).

Although written response to comments on an IS/MND are not required by CEQA (Guidelines Section 15088), the lead agency has determined to exceed the minimum requirements and prepare written responses to the comments received that pertain to the IS/MND with the intent of providing a comprehensive and meaningful evaluation of the proposed Project. The number designations in the responses correlated to the bracketed and identified portions in each comment letter.

The public comments and responses to comments are included in the public record and are available to the Lead Agency decision-makers for their review and consideration prior to making their decision whether to approve the proposed Project. Pursuant to State CEQA Guidelines Section 15074(b) Consideration and Adoption of a Negative Declaration or Mitigated Negative Declaration, none of the comments provide substantial evidence that the Project will have significant environmental effects which would require preparation of an Environmental Impact Report.

Further, none of the information in the letters or responses constitute the type of significant new information that requires recirculation of the Wescott Subdivision Project MND for further public review under State CEQA Guidelines Section 15073.5 Recirculation of a Negative Declaration Prior to Adoption. Additionally, none of this information indicates that there would be a substantial increase in the severity of a previously identified environmental impact that will not be mitigated, or that there would be any of the other circumstances requiring recirculation described in State CEQA Guidelines Section 15073.5.

One comment letter was received on the Draft IS/MND. The comment letter and responses to the comments contained therein, are provided in this section.

Letter 1 – Department of Toxic Substance Control – June 6, 2024




Department of Toxic Substances Control

Meredith Williams, Ph.D.
Director
8800 Cal Center Drive
Sacramento, California 95826-3200



SENT VIA ELECTRONIC MAIL

June 6, 2024

Mark Tomey
City Planner
City of Colusa
425 Webster Street
Colusa, CA 95932
planner@cityofcolusa.com

RE: MITIGATED NEGATIVE DECLARATION FOR THE WESCOTT SUBDIVISION - TENTATIVE MAP, DEVELOPMENT AGREEMENT, GENERAL PLAN AMENDMENT AND REZONE PROJECT, DATED MAY 23, 2024, STATE CLEARINGHOUSE NUMBER [2024051104](#)

Dear Mark Tomey,

The Department of Toxic Substances Control (DTSC) received a Mitigated Negative Declaration (MND) for the Wescott Subdivision - Tentative Map, Development Agreement, General Plan Amendment and Rezone project (project). The Applicant is proposing to subdivide the property into 170 single-family residential lots, 52 two-family residential lots, one 7.45-acre neighborhood apartment parcel lot, one 14.03-acre Open Space parcel, one 3.51-acre Park parcel, and one 1.17-acre Commercial parcel.

DTSC recommends and requests consideration of the following comments:

1. If buildings or other structures are to be demolished on any project sites included in the proposed project, surveys should be conducted for the



1.1

presence of lead-based paints or products, mercury, asbestos containing materials, and polychlorinated biphenyl caulk. Removal, demolition, and disposal of any of the above-mentioned chemicals should be conducted in compliance with California environmental regulations and policies. In addition, sampling near current and/or former buildings should be conducted in accordance with [DTSC's Preliminary Endangerment Assessment \(PEA\) Guidance Manual](#).

2. DTSC recommends that all imported soil and fill material should be tested to ensure any contaminants of concern are within DTSC's and U.S. Environmental Protection Agency (USEPA) Regional Screen Levels (RSLs) for the intended land use. To minimize the possibility of introducing contaminated soil and fill material there should be documentation of the origins of the soil or fill material and, if applicable, sampling be conducted to ensure that the imported soil and fill material meets screening levels outlined in the [PEA](#) for the intended land use. The soil sampling should include analysis based on the source of the fill and knowledge of the prior land use. Additional information can be found by visiting [DTSC's Human and Ecological Risk Office \(HERO\) webpage](#).
3. When agricultural crops and/or land uses are rezoned for residential use, a number of contaminants of concern can be present. The Lead Agency shall identify the amounts of Pesticides and Organochlorine Pesticides (OCPs) historically used on the property. If present, OCPs requiring further analysis are Dichlorodiphenyltrichloroethane (DDT), toxaphene, and dieldrin. Additionally, any level of arsenic present would require further analysis and sampling and must meet [Human Health Risk Assessment Note Number 3](#) approved thresholds outlined in the [PEA Guidance Manual](#). If they do not, remedial action must take place to mitigate them below those thresholds. For boring and analyses recommendations under 50 acres, refer to [DTSC Interim Guidance for Sampling Agricultural Properties](#); otherwise contact DTSC for approval over 50 acres.

1.2

1.3

4. Additional chemicals of concern may be found in mixing/loading/storage area, drainage ditches, farmhouses, or any other outbuildings and should be sampled and analyzed. If smudge pots had been routinely utilized, additional sampling for Polycyclic Aromatic Hydrocarbons (PAHs) and/or Total Petroleum Hydrocarbons (TPHs) may be required.

1.4

DTSC appreciates the opportunity to comment on the MND for the Wescott Subdivision - Tentative Map, Development Agreement, General Plan Amendment and Rezone project. Thank you for your assistance in protecting California's people and environment from the harmful effects of toxic substances. If you have any questions or would like any clarification on DTSC's comments, please respond to this letter or via [email](#) for additional guidance.

Sincerely,



Dave Kereazis
Associate Environmental Planner
HWMP-Permitting Division – CEQA Unit
Department of Toxic Substances Control
Dave.Kereazis@dtsc.ca.gov

Response 1.1 – This comment discusses if the site contains structures that are to be demolished then those structures should be studied for presence of materials such as lead-based paint, mercury or asbestos. As illustrated in the aerial photograph in the IS/MDN and as discussed in the existing site conditions, the site is void of any structures.

Response 1.2 – This comment discusses that if soil or fill are to be brought into the site that those soils should be tested to ensure they are not contaminated. The project has an approximately 14-acre site that is designed as open space, and as noted on the tentative map, will be used for storm water drainage. Source material for soils and fill will come from within the boundaries of the site and create the storm water drainage basin. Nevertheless, should imported soil or fill be required, the location selling fill utilized for the proposed project would be required to comply with all applicable State regulations, thus ensuring that the imported soil is free of contamination. The project site is not subject to site remediation, corrective action, or closure activities that would require the substantial import of soil or fill.

Response 1.3 – This comment notes that based on the site being agricultural in nature there could be contaminants of concern present based upon agricultural utilized herbicides and pesticides. Although the comment does not directly address the adequacy of the IS/MND, the comment raises the question that the transition from one land use to another should have assurances that there are not lingering exposures to future residence. Therefore, to acknowledge the comment and out of abundance of caution a portion of the IS/MND was modified to better answer the question and the associated mitigation measure (HAZ-2) was modified.

Response 1.4 – This comment discusses concerns over mixing and storage areas, as well as drainage ditches, farmhouse or other buildings or locations used for storage and use of chemicals. As noted in Response 1.1, the subject site is void of any structures. As noted in Response 1.3, revision to existing Mitigation Measures will ensure soil sampling will be conducted and remediation to occur if necessary.

REVISIONS TO THE DRAFT IS/MND

This section presents specific text changes to the IS/MND. In no case do these revisions result in a greater number of impacts or impacts of a greater severity than those set forth in the IS/MND. These measures would further ensure that potential impacts are reduced to a less than-significant level. These revised measures represent refinements to the MMRP (attached) to be considered with adoption of the IS/MND. Added text is indicated with underlined text and deleted text is shown in ~~strikeout~~.

The following revisions are made to the IS/MND on page 61 and Mitigation Measure HAZ-2 on Page 64:

9.a-b: During the construction phase, small quantities of hazardous materials common to equipment maintenance and operation, such as gasoline, diesel fuel, hydraulic fluids, oils, and lubricants may be required. Once constructed, the project would be anticipated to utilize household and commercial cleaning supplies, in addition to fuels, lubricants, solvents, pesticides, and fertilizers during routine maintenance. Although, the types and quantities of materials to be used are not expected to pose a significant risk to the public and/or environment and would be managed in accordance with federal, State, and local regulations, in order to assure hazardous materials are not released into the environment, leaks, drips, and spills of hydraulic fluid, oil, or fuel from construction equipment shall be promptly cleaned, per Mitigation Measure HAZ-1, below.

Further, because the site requires earth related activities (grading, trenching etc.) there exists a possibility of unintended discovery of soil staining, odors of respected hazardous materials that are not visible or known at this time. To assure that no hazardous materials are discovered, Mitigation Measure HAZ-2, below will reduce risk associated with discovery. With mitigation incorporated, a less than significant impact would occur.

Currently, the property site is utilized for agricultural purposes with seasonal crops being planted. With the land in agricultural production, the site is subject to the application of fertilizers, pesticides and herbicides to ensure that the crop yield is successful. The Colusa County Department of Agriculture enforces pesticide use and regulations within the County. The department's Agricultural Biologist are responsible for regulatory duties, such as maintaining state license for pesticide regulations, investigation and environmental monitoring. The department also enforces other agricultural laws and regulations including weights and measures, State and federal plant quarantine, State seed nursery inspection and State quality standards for produce. The department is also responsible for managing pest detection and weed and vertebrate pest management.

The department also regulates the type, timing and application of pesticides, requiring applicators to register and notify the department on the type of material that are to be applied to a particular site. The department is responsible for issuing both Restricted Materials Permits and Operator Identification numbers to property operators and landowners who wish to purchase and use pesticides. These records are kept with the department.

In addition to the County, the State has the Department of Pesticide Regulation (DPR), which is to further protect human health and the environment by regulating the sales and use of pesticides. The DPR does this through product evaluation and registration, statewide licensing of commercial applicators, dealers and other professionals, evaluation of health impacts of pesticides through illness surveillance and risk assessment, environmental monitoring of air, water and soil to name just a few. The DPR keeps a list of banned products that are not permitted to be registered in the state or sold. To ensure the site does not contain contaminants of concern, Mitigation Measure HAZ-2 has been modified, as stated below.

HAZ-2: Prior to issuance of a grading permit the soils within the boundaries of the site shall be tested by a qualified environmental engineering firm to ensure that the site does not contain contaminants of concern. If contaminants of concern are found to be present at levels that exceed thresholds, the applicant shall consult with the Department of Toxic Substance control to remedy the project site.

If soil staining, odors of suspected hazardous materials are encountered during construction activities, work shall cease in the area approximately 100 feet around the discovered site until a qualified firm conducts an environmental site assessment. The assessment shall identify the potential contaminated area and shall recommend measures to reduce or eliminate potential adverse impacts. The contractor shall implement all mitigation measures prior to resumption of work in the 100-foot area.



City of Colusa California

STAFF REPORT

DATE: August 20, 2024
TO: City of Colusa Mayor and Council Members
FROM: Sadie Ash via Jesse Cain, City Manager

AGENDA ITEM:

Subject: Council to consider adopting resolution 24-Approve City Manager to enter the purchase agreement for the CD Semple Park Inclusive Playground Project.

BACKGROUND:

In May 2023, the City Council allocated and approved \$100,000 to Park Improvements from City ARPA Funds, with the PRT Commission responsible for creating a list of repairs, replacement, and improvements needed at all seven City of Colusa Public Parks. With the award of the Clean California Local Grant Program in Fall 2023, PRT shifted their project priority to replacing the playground currently at CD Semple Park (Johnson Park) to an Inclusive Playground.

Over the course of several meetings, City Staff gathered the request from PRT Commissioners and the public and presented several options on executing the project. They included working with companies that specialize in playgrounds to city staff purchasing equipment and installing itself. The final project before Council is the playground selected by the commission, in the Citrus Color Pallet, with all details of installation and completion. The estimated timeline for this project is 20 weeks from equipment order date to full completion. Period of Performance is Late Winter 2025, we will be updating the City Council once the equipment is on site.

Investing in an inclusive playground provides a space where every child can play, learn, and grow together, enriching the community. By promoting inclusivity, physical activity, and social interaction, this playground will help create a more equitable and supportive environment for all children and families.

FINANCIAL IMPACTS

The estimated final project will not exceed \$300,000.00. Of this total, the following funds will be utilized: \$125,000 ARPA and \$175,000 of Measure B.

Attachments

Resolution 24-
 Final CD Semple Playground Rendering & Cost
 CD Semple Park Proposal Spring 2024



City Park Improvements

Revitalizing CD Semple Park Proposal

Parks, Recreation, & Tree Commission
2024

Background

In May of 2023, the City Council approved an allocation of \$100,00 to our Parks from the American Rescue Plan Act (ARPA). In April of the same year, the PRT Commissioners created a list of requested park improvements, ranging from drinking fountains to playgrounds.

In an effort to accomplish as many improvements as possible, the City applied for two Clean California Grants, and we are pleased to announce that we were awarded one. This grant will significantly contribute to our park upgrades, covering the costs of updating/replacing drinking fountains, bathrooms, trash and recycle bins, adding historical signage, and organizing community cleanup events.

With the above award, PRT refocused its priority of ARPA funds to create an inclusive playground at CD Semple Park. In February 2024, Sadie Ash, presented two options for new inclusive playgrounds were sent to PRT Commissioners. At the April 2024 meeting, PRT provided a list to city staff for specific changes and additions to the playground.

You will find the proposed wants and needs in this proposal, with an anticipated budget. Several options are presented so further discussion and direction can be determined.

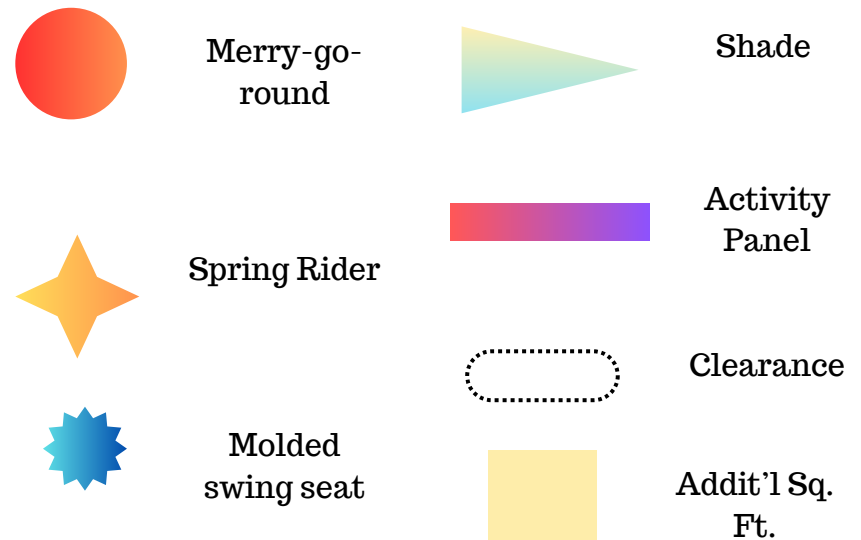
In this proposal:

This proposal contains multiple options, of different configurations, to accomplish the listed request of PRT. The goal is to revitalize the playground at CD Semple park into an inclusive playground that serves children of all abilities.

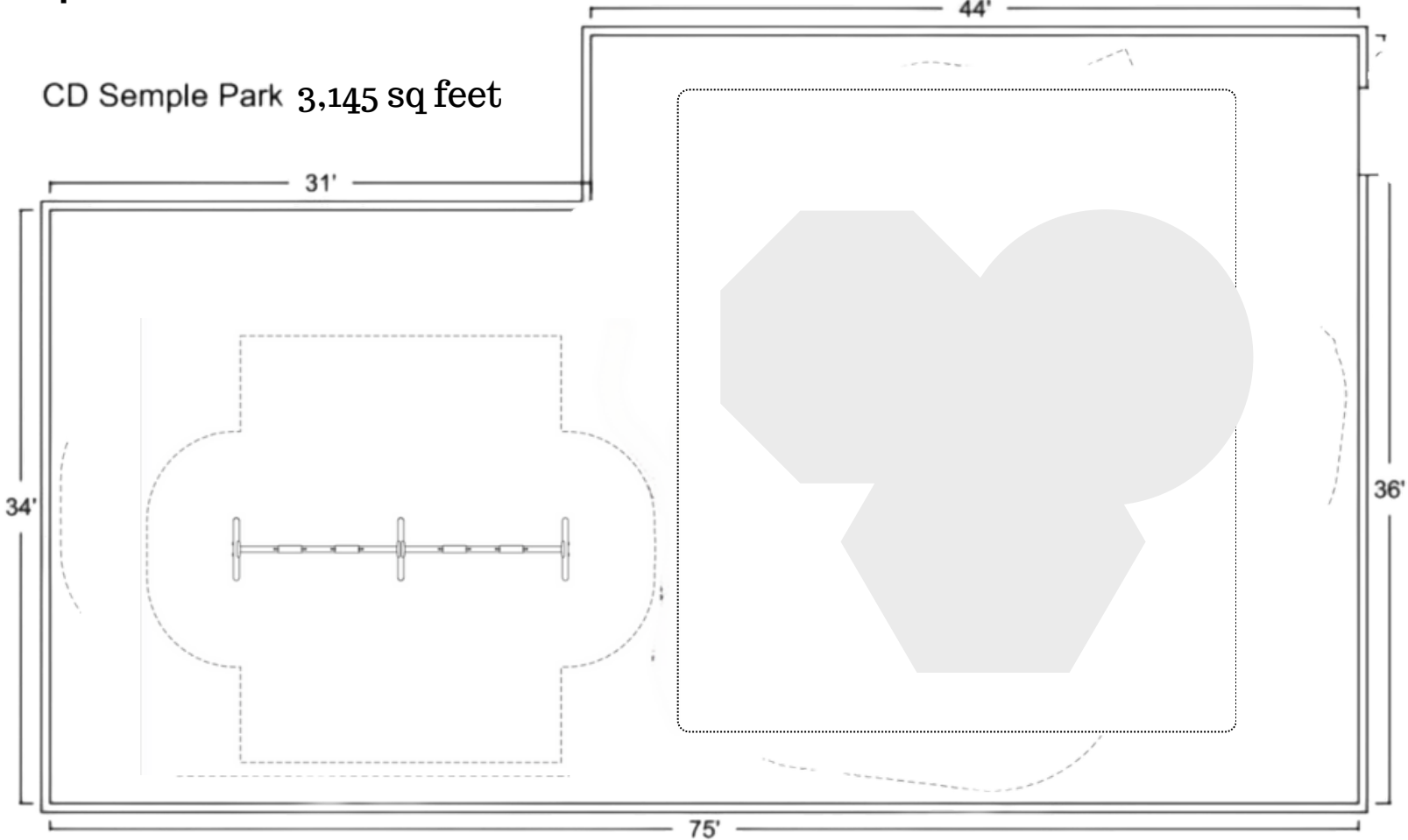
PRT Requested Items/Improvements

- Add shade to playground
- Add Pour in Place for better access
- Addition of Inclusive Merry-go-round
- Addition of Spring Riders
- Swap 2 of 4 swings with Molded ADA seats
- Extend playground foot print out to east by 25'
- Addition of activity panels
- Addition of a fence with ingress and egress gates

Key:



CD Semple Park, now

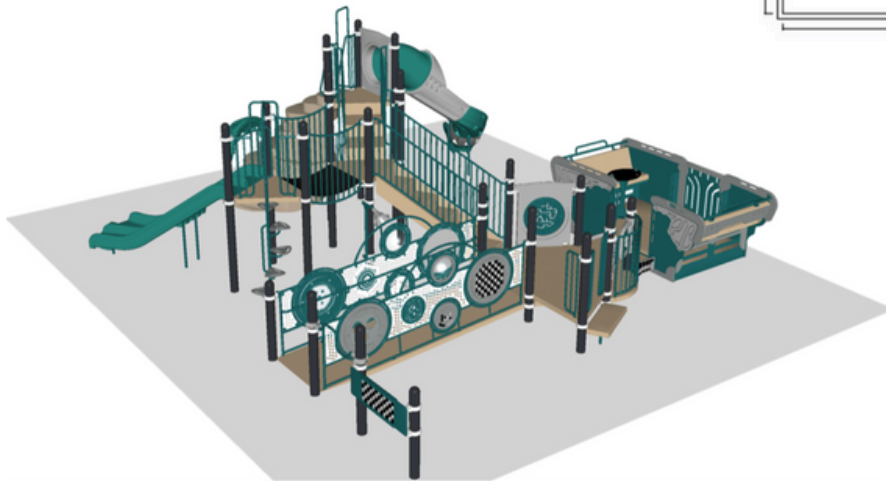
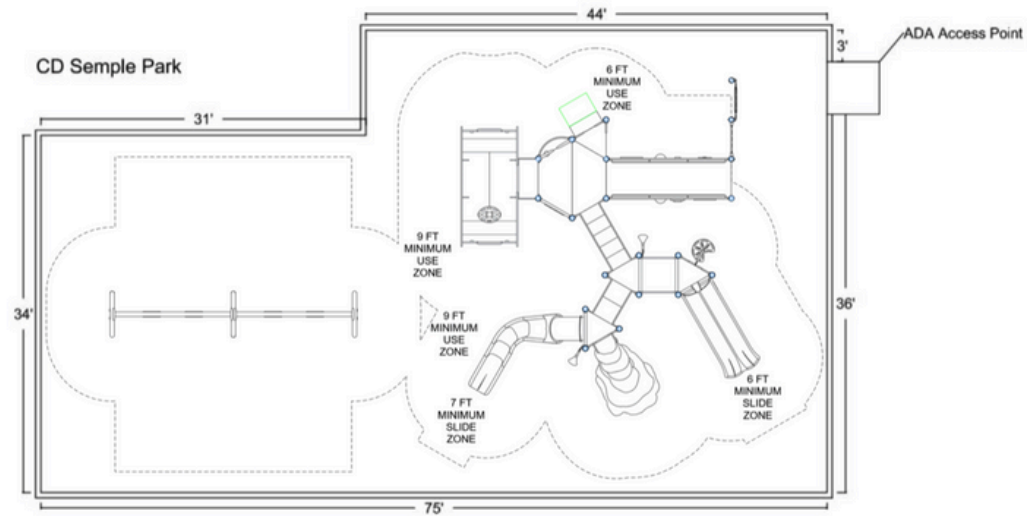


Budget by Option:

CD Semple Park Playground 2024/2025		Park Planet #1	Park Planet #2	KYA #1 & 2	PRT Plan #1	PRT Plan #2	PRT PLAN #3	PRT PLAN #4
<i>Option</i>	<i>Sq Ft</i>	3,145	3,145	3,145	3,486	3,548	3,145	3,145
Equipment set		\$ 92,000.00	\$ 111,650.00	\$ 243,222.82				
(2) inclusive swings					\$ 6,000.00	\$ 6,000.00	6,000	6,000
(1) merry-go-round					\$ 9,500.00	\$ 9,500.00		
(2) riders					\$ 2,000.00	\$ 2,000.00	2,000	2,000
shade structure		\$ 15,000.00	\$ 15,000.00		\$ 15,000.00	\$ 15,000.00	15,000	15,000
(4) activity panels						\$ 12,000.00		
Equipment Ttl		\$ 107,000.00	\$ 126,650.00	\$ 243,222.82	\$ 32,500.00	\$ 44,500.00	\$ 23,000.00	\$ 23,000.00
est tax		\$ 8,827.50	\$ 10,448.63		\$ 2,681.25	\$ 3,671.25	\$ 1,897.50	\$ 1,897.50
shipping		\$ 2,000.00	\$ 3,000.00		\$ 2,000.00	\$ 2,000.00	\$ 2,001.00	\$ 2,001.00
Instalation		\$ 48,150.00	\$ 56,992.50	\$ 55,900.00	\$ 14,625.00	\$ 20,025.00	\$ 10,350.00	\$ 10,350.00
PIP (Pour in Place)		\$ 88,060.00	\$ 88,060.00	\$ 82,703.00	\$ 97,608.00	\$ 99,344.00	\$ 88,060.00	\$ -
4" sub base		\$ 31,450.00	\$ 31,450.00		\$ 34,860.00	\$ 35,480.00	\$ 31,450.00	\$ -
Fencing around playground		0	0		\$ 80,000.00	\$ 85,000.00	0	0
Build out of extra square footage		0	0		\$ 10,000.00	\$ 15,000.00	0	0
PROJECTED TTL		\$ 285,487.50	\$ 316,601.13	\$ 381,825.82	\$ 274,274.25	\$ 305,020.25	\$ 156,758.50	\$ 37,248.50
<i>Labor/consturtion/etc</i>		\$ 48,150.00	\$ 56,992.50	\$ 55,900.00	\$ 104,625.00	\$ 120,025.00	\$ 10,350.00	\$ 10,350.00
<i>Equipment Only</i>		\$ 117,827.50	\$ 140,098.63	\$ 243,222.82	\$ 37,181.25	\$ 50,171.25	\$ 26,898.50	\$ 26,898.50
<i>Pour in Place Only</i>		\$ 119,510.00	\$ 119,510.00	\$ 82,703.00	\$ 132,468.00	\$ 134,824.00	\$ 119,510.00	\$ -

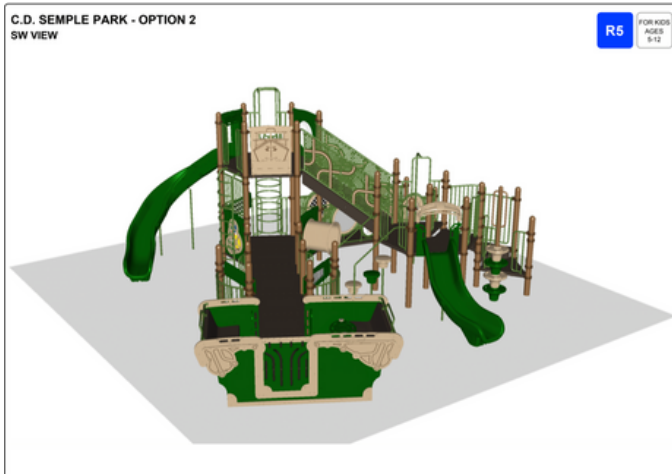
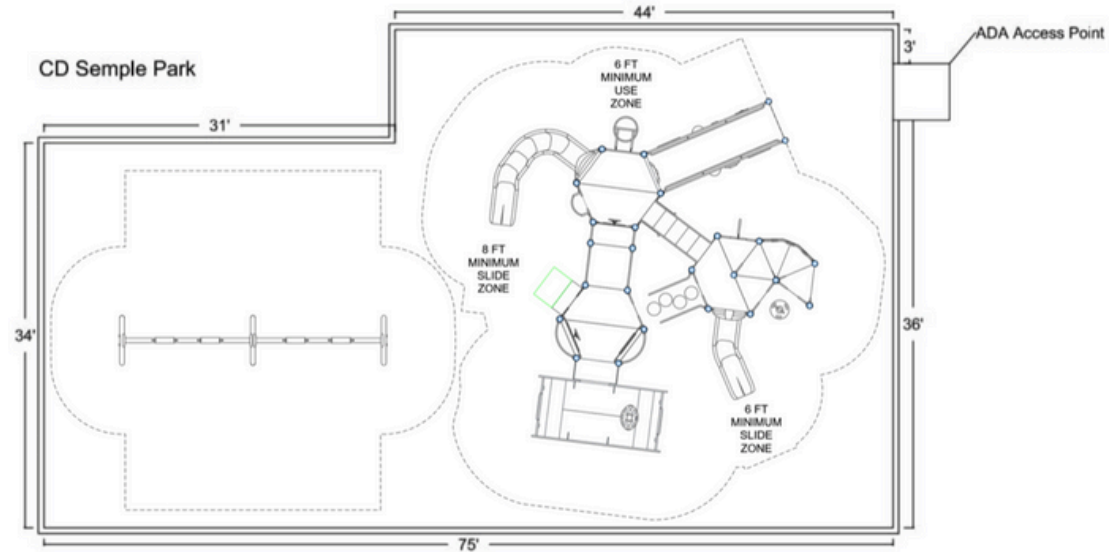
Park Planet #1

- Pour in Place (PIP) approx. 3,145 sq feet
- Fully inclusive structure
- Glider instead of merry go round
- activity panels are built in
- Would need to add shade structure
- Would need to add 2 molded swings (not reflected in budget)



Park Planet #2

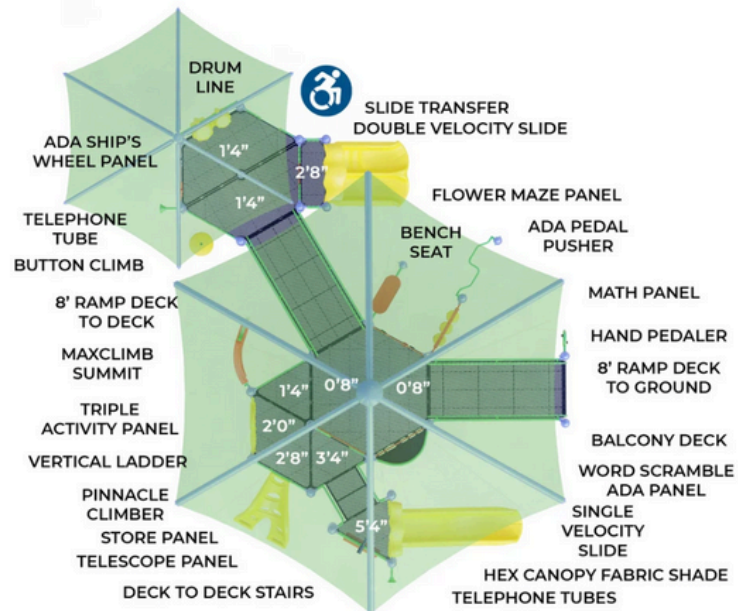
- Pour in Place (PIP) approx. 3,145 sq feet
- Fully inclusive structure
- Glider instead of merry go round
- activity panels are built in
- Would need to add shade structure
- Would need to add 2 molded swings (not reflected in budget)



KYA #1 & 2 & 3

- Removal of existing playground structure
- Supply and install new playground structure with 2 (ea) built in hex canopy fabric shade, Sun River included in price.
 - Option of Indigo Run canopy, subtract \$18K
 - Option of Juniper with no shade cover, subtract \$102K
- Includes 4 swings (seats and chains.)

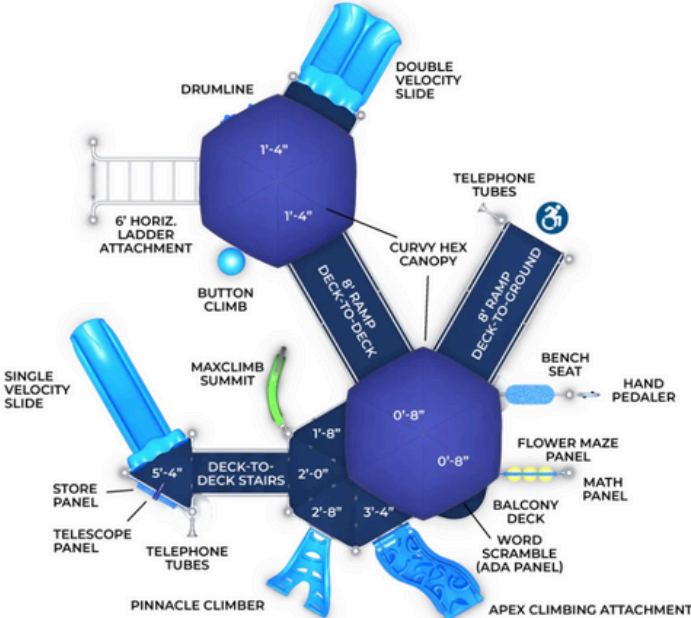
Sun River



KYA #1 & 2 & 3

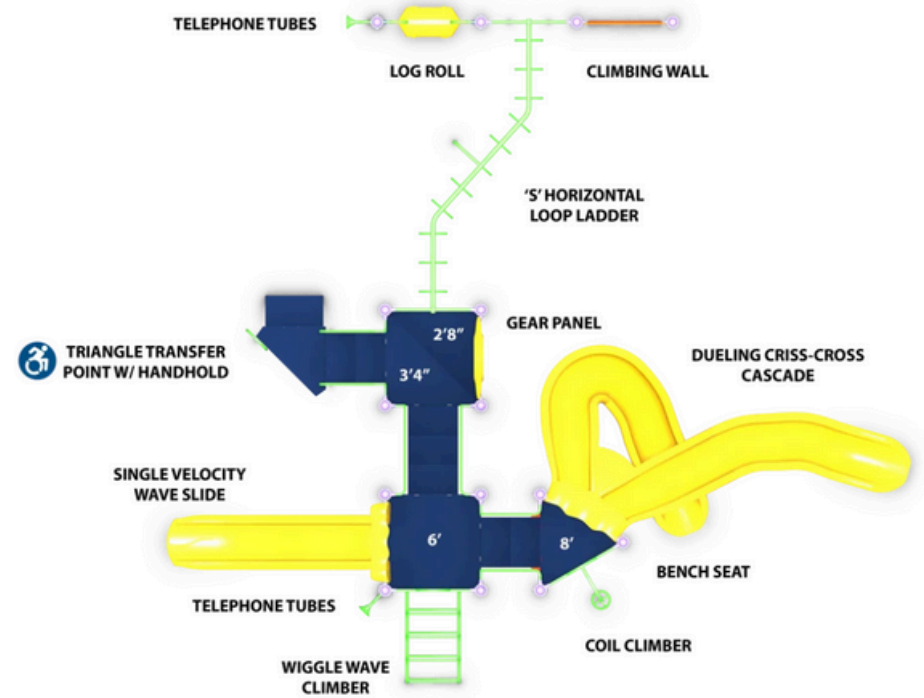
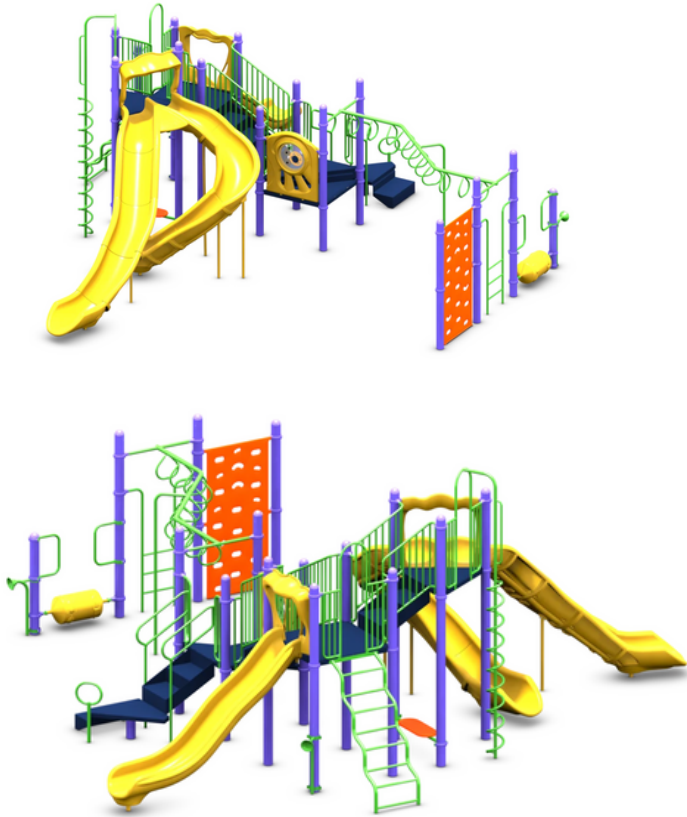


Indigo Run



KYA #1 & 2 & 3

Juniper



PRT Insporation Images



Scope/Budget Image

Item 3.



SLR
landscape
structures®
Facebook Instagram Twitter YouTube

Shade Sails



IN STOCK

Farm Truck Spring Rid



Q View

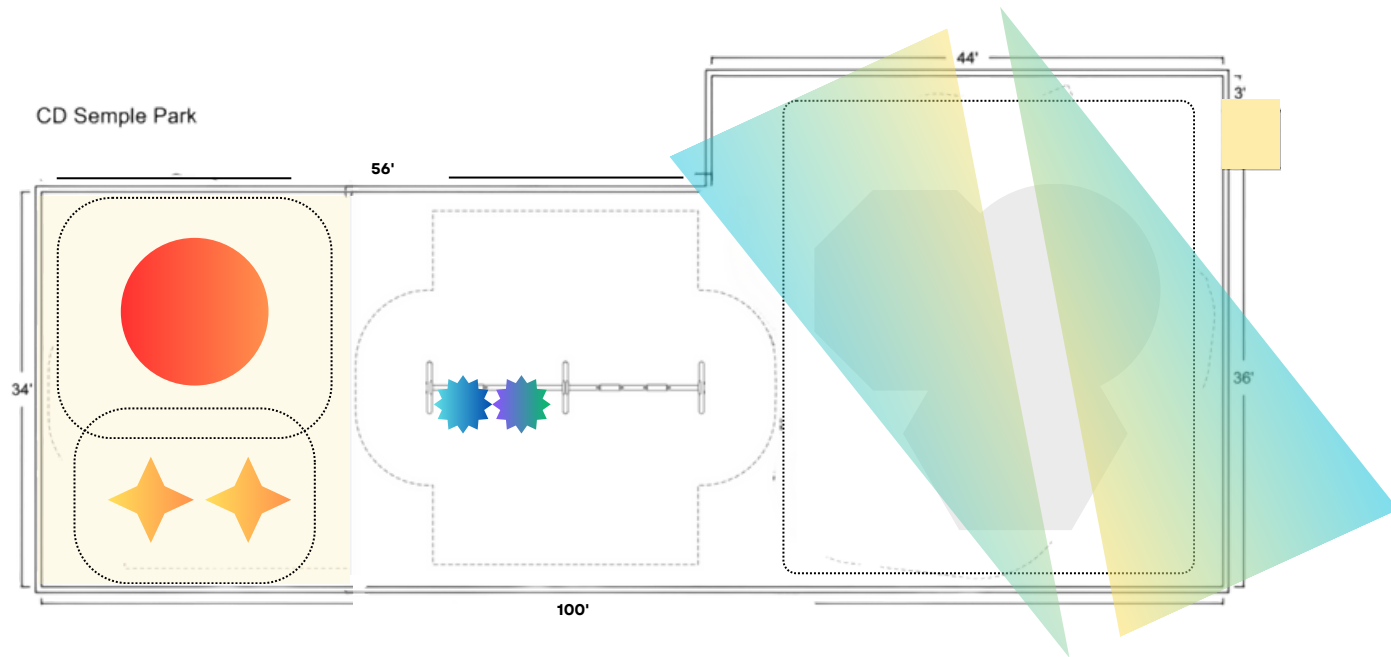


Poured in place playground surface



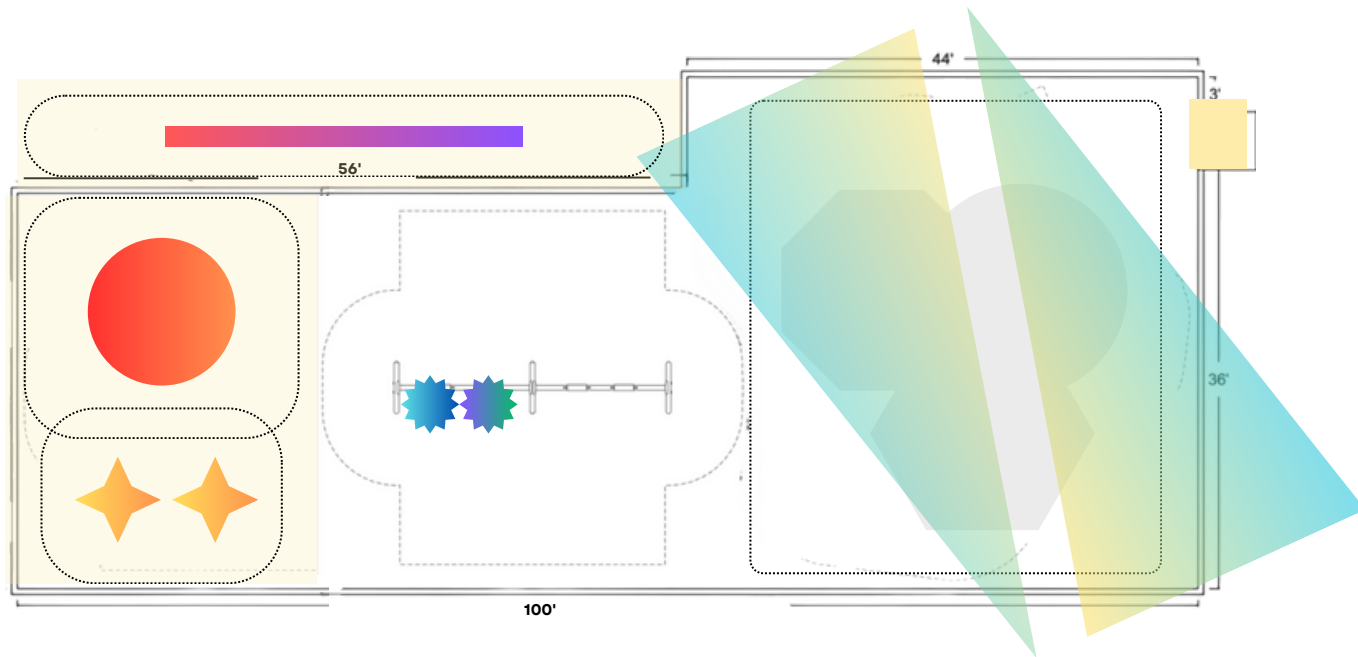
PRT Requested Improvements #1

- Extend out to east, adding 850 sq feet \$40K
- Pour in Place (PIP) approx. 3,486 sq feet \$32 per s/f = \$112K
- add shade sails to cover main playground fixture - \$30K
- replace 2 of 4 swings with molded seats with harness \$3K each
- add inclusive Merri-go-round - \$10K
- add “riders” - \$4K each
- Fence along playground line - \$80K



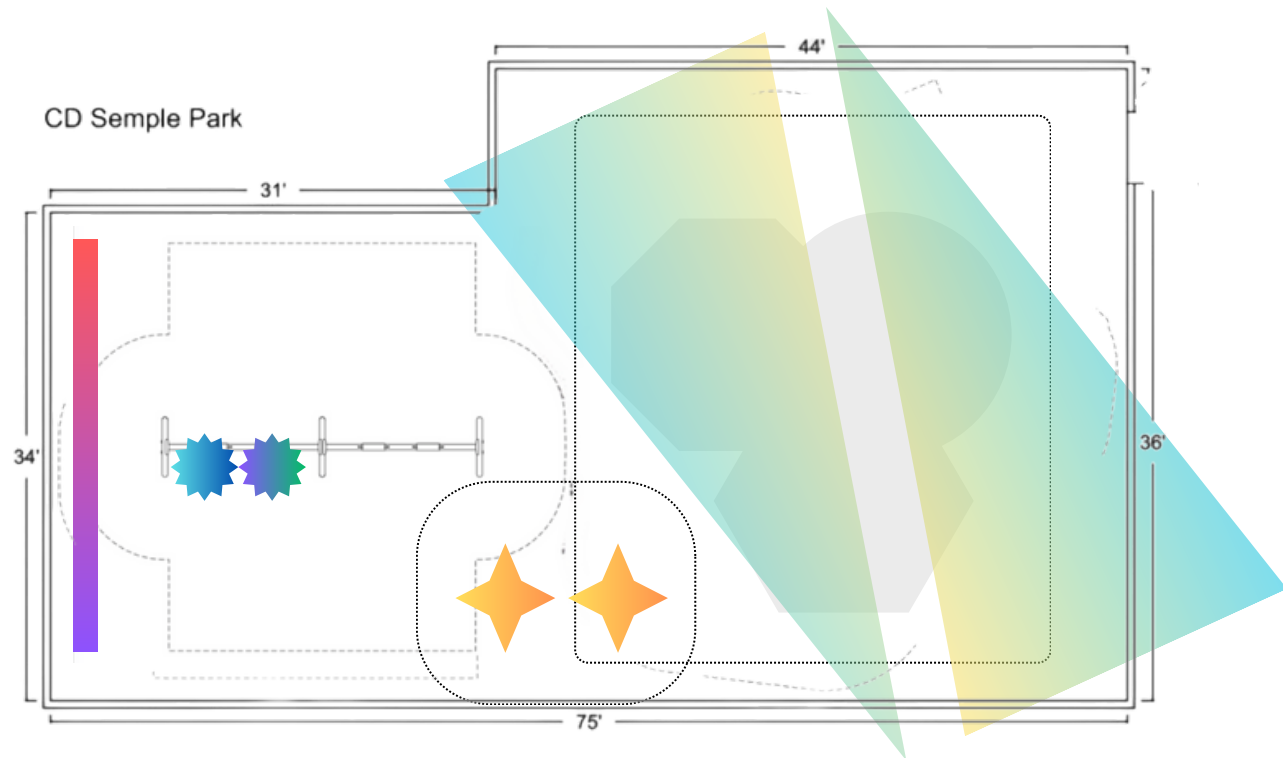
PRT Requested Improvements #2

- Extend out to east and south, adding 912 sq ft.
- Pour in Place (PIP) approx. 3,548 sq feet
- add shade sails to cover main playground fixture
- replace 2 of 4 swings with molded seats with harness
- add inclusive Merri-go-round
- add “riders”
- add activity panels



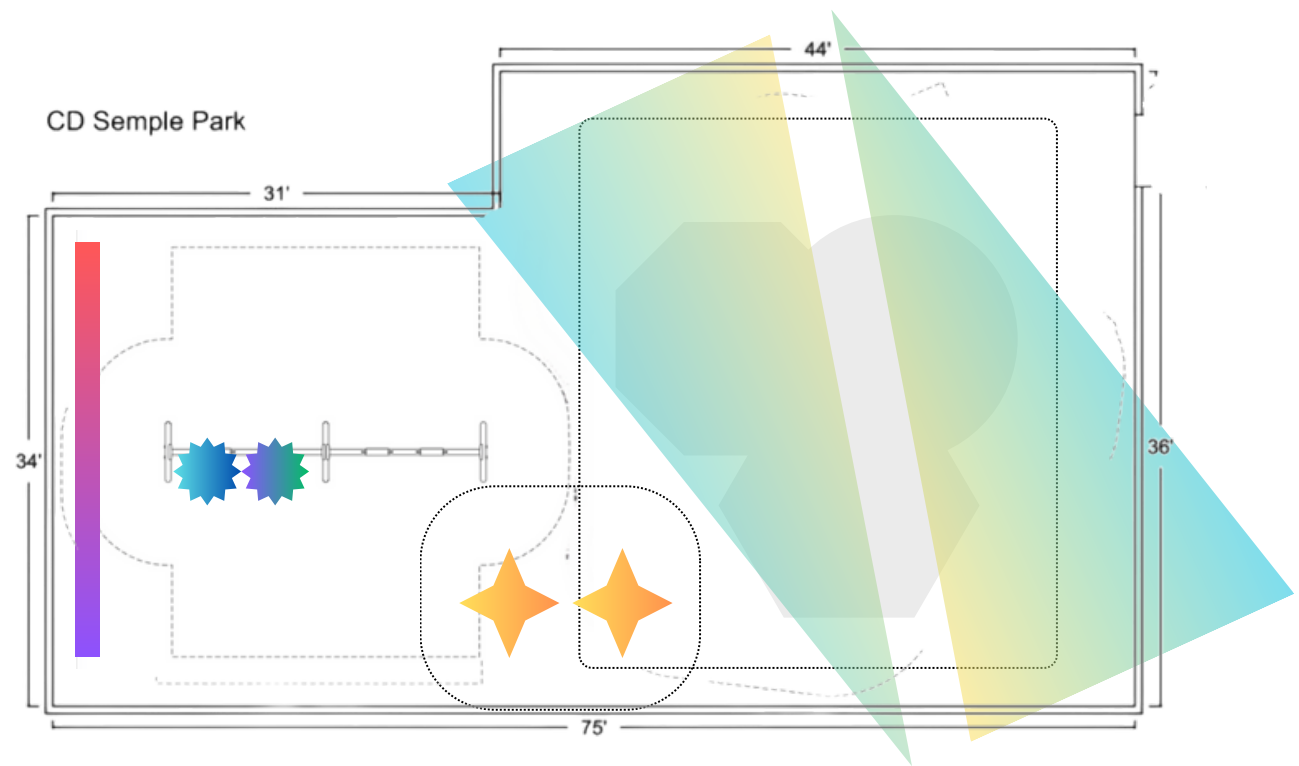
PRT Requested Improvements # 3

- Pour in Place (PIP) approx. 3,145 sq feet
- add shade sails to cover main playground fixture
- replace 2 of 4 swings with molded seats with harness
- add “riders”
- add activity panels



PRT Requested Improvements # 4

- add shade sails to cover main playground fixture
- replace 2 of 4 swings with molded seats with harness
- add “riders”
- add activity panels





Park Planet
 a Division of Park Associates, Inc.
 415 Elm Street
 Red Bluff CA 96080

Quote# Q24-1 Item 3.

CD Semple Park - City of Colusa

Bill To:

City of Colusa
 425 Webster Street
 Colusa CA 95932
 United States

Quote Date: 07/19/2024

Quote Expires: 08/18/2024

Terms: Net 30dys / Shipment

Quote Total: \$277,109.05

Contact Name	Contact Phone	Contact Email	Sales Rep	Sales Rep Email
Accounts Payable	+15304584740	accounting@cityofcolusa.com	Kyle Knox	kyle@parkplanet.com

Description	Vendor	Qty	Rate	Amount
CD SEMPLE PARK - PLAYGROUND EQUIPMENT OPTION 2				
PR-R5 Custom Round 5 Steel Play System..SN: R50C7B25A	Playcraft Systems, Inc	1	\$76,712.00	\$76,712.00
PR-R5 Custom Round 5 Steel Play System..SN: R50389D1A	Playcraft Systems, Inc	1	\$3,096.00	\$3,096.00
A2-2120 8ft Arch Swing Bay (2 Seat)	Playcraft Systems, Inc	1	\$4,031.00	\$4,031.00
A2-313010 Belt Seat	Playcraft Systems, Inc	4	\$181.00	\$724.00
A2-2120-AB 8ft Arch Swing Bay (2 Seat) Additional Swing Bay	Playcraft Systems, Inc	1	\$2,540.00	\$2,540.00
A2-1347 PC 1347 Astro Rider	Playcraft Systems, Inc	1	\$1,799.00	\$1,799.00
CMAS DISCOUNT				
CMAS Discount CMAS Discount - Vendor ID: 4-16-78-0038E-Sup 3:	CMAS	1	(\$9,210.00)	(\$9,210.00)
SHIPPING				
PlayCraft Freight Playcraft Freight **PlayCraft shipping pallet dimensions can reach upwards of 4'W x 8'H x 18'L and will be delivered on a 53' dry-van WITHOUT a liftgate. Offloading is the CUSTOMER'S responsibility and is NOT included in shipping costs. (2) Forklifts or (1) Forklift with extended forks and a capacity of greater than 5,000lbs will be required to offload the pallet(s). Please discuss offloading options with an Park Planet representative PRIOR to placing an order.	Playcraft Systems, Inc	1	\$3,286.00	\$3,286.00



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 Red Bluff CA 96080

Quote# Q24-1

Item 3.

CD Semple Park - City of Colusa

Description	Vendor	Qty	Rate	Amount
INSTALLATION & PiP SURFACING				
Installation by Park Associates Inc. CA - Lic# 959805 DIR# PW-LR-1000423561 Wage Rate: Prevailing Installation assumes normal digging conditions with standard bobcat & auger. Bobcat & concrete truck access required.				
Install - CA Supply & Install 2,990sqft of Compacted Base Rock @ Approx. 6" Depth Security Fencing	Ryan Shaw Construction	1	\$57,857.00	\$57,857.00
Install - CA Installation of Playcraft Equipment Receive & Offload Equipment	Ryan Shaw Construction	1	\$48,571.00	\$48,571.00
Install - CA Provide & Install 2,990sqft of IPEMA Certified PLACRAFT Poured in Place Safety Surfacing 3.75" Depth (8' CFH) 50/50 Standard/Black Aromatic Urethane Binder Base & Borders by Others	TotTurf - Robertson Industries, Inc	2,990	\$30.00	\$89,700.00
CMAS DISCOUNT				
CMAS Discount CMAS Discount - Vendor ID: 4-16-78-0038E-Sup 3:	CMAS	1	(\$8,970.00)	(\$8,970.00)

EXCLUSIONS

IF APPLICABLE:

1. Park Planet installers are not signatory to any unions and will not sign any PLA for the installation of the playground or special playground surfacing. The following supply and/or installation estimates do not include signing a PLA or paying any union labor or fees. All of the labor quoted herein will need to be excluded from a PLA agreement and union labor requirement waived by the purchasing agency, owner or District.

2. Skilled & Trained Workforce: If this project is a Lease Lease-Back, or Design-Build Project, or a contract that triggers the Skilled and Trained Workforce requirements for a Public Works project, please contact Park Planet immediately. The Following estimate for equipment and/or labor does NOT include such compliance. Park Planet and their subcontractors will NOT comply with Skilled and Trained Workforce labor and reporting. Park Planet's portion of work (and our subcontractor's work) will need to fall within an exception or waiver to the Skilled and Trained Workforce requirements or our estimate will not be valid.



Park Planet
 a Division of Park Associates, Inc.
 415 Elm Street
 Red Bluff CA 96080

Quote# Q24-1 Item 3.

CD Semple Park - City of Colusa

Description	Vendor	Qty	Rate	Amount
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EXCLUSIONS

- Location/Marking of utility, plumbing and irrigation lines
- Dumpster for trash and packaging materials
- Storage of equipment
- Moving equipment from storage site to construction site
- Site preparation not specifically stated
- Drainage Consideration
- Inspections, material testing, or applicable permits and fees
- Removal of obstacles in access route
- Landscape/Hardscape repair based on access route
- Cleaning of structure(s) is excluded unless otherwise stated
- Site security
- Bonding or Special Insurance - fees may apply if required

By signing below, you acknowledge and agree to our Contract; Exclusions, Conditions & Payment Terms, which are to be included in, and supersede any additional contracts or sub-contract agreements made separately based on this "Estimate". Unless otherwise specified above we Exclude Responsibility for: additional mobilizations due to delays or layout conflicts, conditions unforeseen and/or not disclosed at time of estimate, repairing unmarked underground utilities and pipes. Site Conditions Prior to Installation: Grades; stable, compacted, & workable (rough grade to be taken + or - one tenth of one inch), adequate access to work site provided for workmen, materials, tools & equipment. Quote assumes all labor to be completed without interruption.

	Subtotal	\$270,136.00
	Tax Total (%)	\$6,973.05
	Total	\$277,109.05



Park Planet
a Division of Park Associates, Inc.
415 Elm Street
Red Bluff CA 96080

Quote# Q24-3

Item 3.

CD Semple Park - City of Colusa

A PURCHASE ORDER OR SIGNED CHANGE ORDER MUST BE RECEIVED BEFORE ADDITIONAL EQUIPMENT, INSTALLATION, OR SERVICES CAN PROCEED. IF PAYING BY CREDIT CARD, A SURCHARGE WILL BE ASSESSED ON PAYMENT AMOUNT FOR 3.5% VISA/MC OR 5% AMEX.

Printed Name: _____ Title: _____

Authorized Signature: _____ Date: _____

**Purchasing agent who is authorized to enter into binding agreement for quoted entity.

**By signing this quote, I have read and agree to the quote Terms & Conditions listed below, on the following page.



Park Planet
a Division of Park Associates, Inc.
415 Elm Street
Red Bluff CA 96080

Quote# Q24-1
CD Semple Park - City of Colusa

Item 3.

TERMS & CONDITIONS

1. General Notes Assembly, Installation and Offloading NOT included unless otherwise noted.
Payment and Performance bonds, Builder's Risk and special insurance NOT included unless stated and quoted.
Customer responsible for quantities and model numbers. Revised quote needed if quantities revised.
2. Payment / Ordering Credit terms specific to each customer. See terms in upper right corner of Park Planet quotes..
Purchase orders or purchase contracts are needed to order. If none available, a signed Park Planet quote may be used in lieu of a formal PO.
All past due accounts subject to 1 ½ % monthly finance charge. In the event legal action is required to effect collection, venue shall be Red Bluff, CA.
3. Shipping / Unloading Shipped by Common Carrier – Customer will need 2 to 4 people to unload. Liftgate NOT included unless quoted. Items will be boxed and / or stretch wrapped to pallets and customer is responsible for offloading. Delivery Drivers do NOT unload.
IMPORTANT: Customer is responsible for receiving and checking quantities and condition at time of delivery Please note any shortages or damages on delivery copy.
Notwithstanding anything to the contrary in any Contract Documents, Customer understands that estimated shipment times for materials are an estimate only.
We have no control over shipment dates. We thus make no guarantee to Owner or Customer regarding the projected shipment dates for materials and shall not be liable for any loss caused by the timing of shipments.
4. Engineered Wood Fiber
Customer to provide access for Engineered Wood Fiber delivery with tractor truck and 53' trailer.
Compaction of the Engineered Wood Fiber is NOT included in the installation cost, if desired, please request an updated proposal.
5. General Notes for Purchased Installation
Installation does NOT include ground preparation, excavation, safety surfacing, and/or safety surfacing borders, prep work, flat work, grading, rerouting of water, electric, drainage or sprinkler lines unless otherwise noted in the proposal.
Demo of existing equipment or safety surfacing is NOT included unless otherwise stated in the proposal.
ROCK CLAUSE: Pricing is based on normal soil conditions which would allow an auger on a tractor to dig footings. If rocks/boulders interfere with the progress of the excavation, additional fees may apply.
ACCESS CLAUSE: Installation based on clear access to area. Crane service is NOT included. Customer to provide access for bobcat to work area, bobcat will be provided by the installer. Minimum access shall be 7' wide and 7' high. If adequate access is not provided additional charges may apply and repairs to landscape and irrigation may be required. Customer is responsible for any repairs to landscape if proper access is not provided.
UTILITY CLAUSE: Unless stated in writing in the quote proposal, installation does not include marking of utilities by Dig Alert or other similar entities. Customer can, however, call Dig Alert directly. Dig Alert CANNOT locate any private lines, PVC or plastic water lines. Installation does NOT include repair or relocating any underground utilities, such as drainage, irrigation, live water lines, main low voltage lines, gas, electrical, communication, or sewer etc.
Customers responsibility to provide locations of any utilities prior to commencement of work.
Customer is responsible for all landscape repairs such as, but not limited to damaged trees, bushes, lawn, curbing, sidewalks and/or asphalt paving caused by materials truck and/or 2ton bobcat needed to complete project.
6. Temporary Fencing
Security guards and/or temporary fencing to prevent injuries, vandalism and/or accidental damage to install area or to the rubberized surface while it sets is NOT included unless noted on quote. If desired, the installers can put up caution tape, but Temporary Fencing is recommended. Although the fencing, if provided, is intended to provide this security, the overall security of the property is ultimately the responsibility of customer. We are not responsible for any vandalism or injuries even with the provision of the fencing.
7. ADA Access
Play Equipment MUST be installed over an impact absorbing surface such as ADA compliant Engineered Wood Fiber or Rubber Surfacing. If not quoted, please call for details.
This area is NOT ADA compliant without the installation of compliant surfacing and an accessible route up to and into the playground area. Please call for details.
8. Poured in Place Rubber Surfacing
Rubber Surfacing cannot be installed during extreme weather conditions and may not be installed if rain or frost is forecasted during 48-72 hr. cure time. 24 Hour Manned Security is NOT included in Park Planet quotes.
9. Shade Shelters (non DSA)
Shade Shelter installation price EXCLUDES – unless otherwise stated in this quote engineering, drawings, calculations, permits, permit submittal, site plans, special inspections, soil reports, impact fees, special assessment fees. Customer is responsible for any and all of these items if required by the City/County.
PLEASE NOTE: Shade Orders are NOT released into production until permit is issued!
Shade Shelter installation price EXCLUDES concrete pad, footings, masonry columns, electrical wiring and lights unless otherwise noted.
10. Shade Shelters (DSA)
Fabrication cannot begin until AFTER DSA approval by your architect
DSA in-plant Welding Inspector to be hired by the School District. Welding Inspector fee has NOT been quoted.
School District / Architect responsible for submission of plans to DSA for DSA approval
Pricing does NOT include footings, steel cages, anchor bolts, or erecting of shade shelter unless otherwise noted.
11. Prevailing Wages – assumed and quoted unless specifically excluded due to private works.
Park Planet does not meet the Skilled & Trained Workforce Requirements and will not participate in same. Park Planet will not sign any PLA's for Union Work and is not signatory to any unions.
12. Indemnity Provision
Notwithstanding anything to the contrary in any Contract Documents we shall have no duty to defend or indemnify Owner, Customer, or any other party we agree to defend or indemnify in any Contract Documents for that portion of any claim arising out of the comparative fault of any party we agree to defend or indemnify in any Contract Documents.

C.D. SEMPLE PARK - OPTION 1

TOP VIEW

ADA ACCESSIBILITY GUIDELINES - ADAAG CONFORMANCE

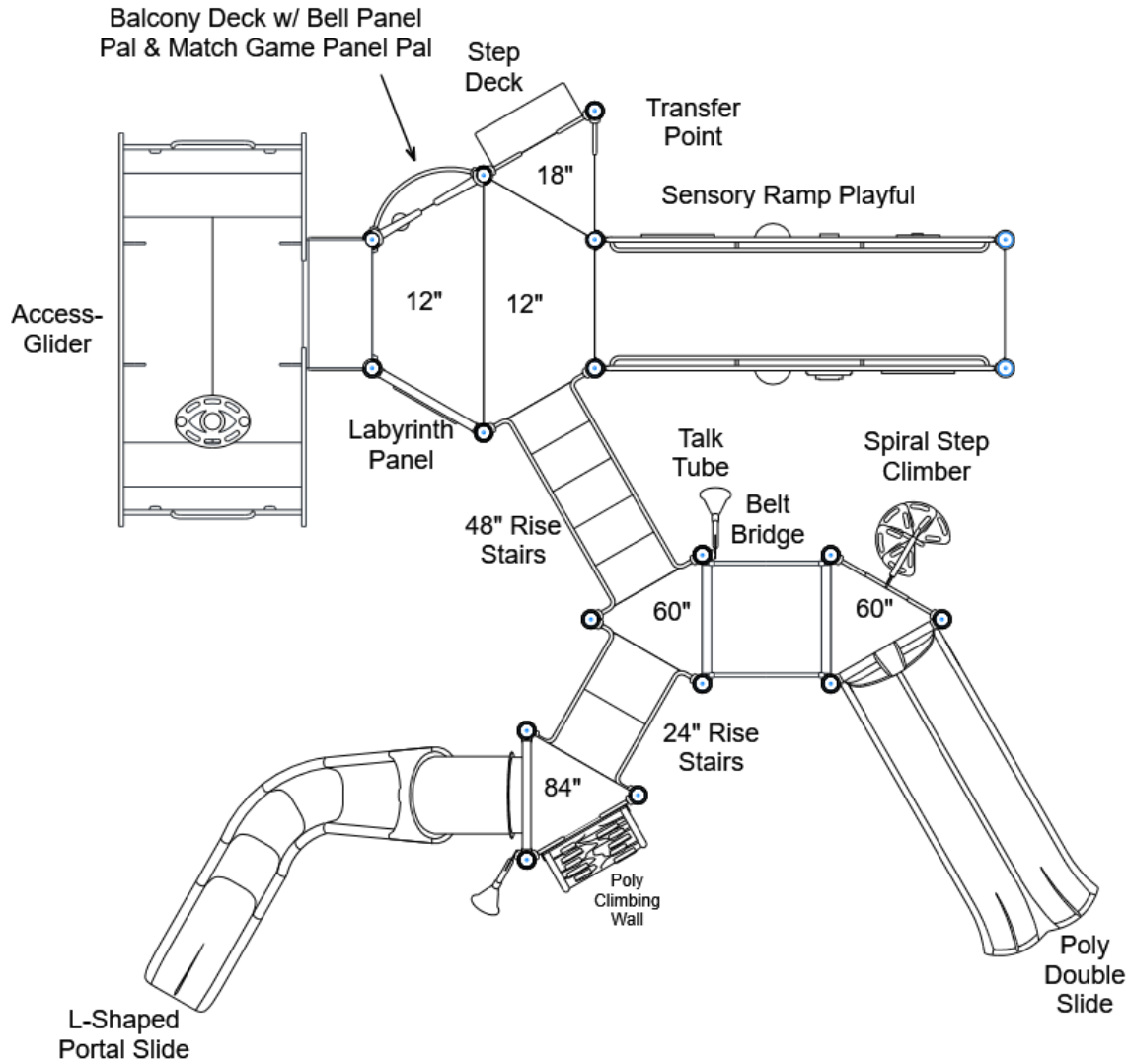
ELEVATED	ACCESSIBLE	RAMP ACCESSIBLE	GROUND	TYPES
9	9/5	4/0	12/3	4/3
CHILD CAPACITY	98	MAX FALL HEIGHT	84	

R5
Item 3.

GENERAL NOTES

This conceptual plan is based on information provided prior to construction. Detailed site information, including the following, should be obtained, evaluated, and utilized in the final project design. Exact site dimensions, topography, existing utilities, soil conditions and drainage solutions.

WARNING: Accessible safety surfacing material is required beneath and around this equipment that has a critical height value (Fall Height) appropriate for the highest accessible part of this equipment. Refer to the CPSC'S Handbook For Public Playground Safety, Section 4: Surfacing.



STRUCTURE # R50C7B25A
 PROJECT # PPT24AB71DB-1
 DATE 7/19/2024

Park Planet

MIN. USE ZONE 41' x 40' (12.367m x 12.183m)



C.D. SEMPLE PARK - OPTION 1

TOP VIEW

ADA ACCESSIBILITY GUIDELINES - ADAAG CONFORMANCE

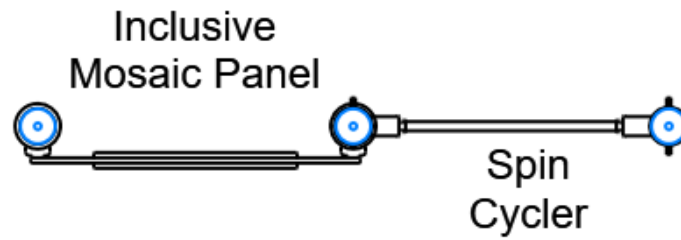
ELEVATED	ACCESSIBLE	RAMP ACCESSIBLE	GROUND	TYPES
0	0/0	0/0	2/0	2/0
CHILD CAPACITY	4	MAX FALL HEIGHT	0	

R5 Item 3.
5-TZ

GENERAL NOTES

This conceptual plan is based on information provided prior to construction. Detailed site information, including the following, should be obtained, evaluated, and utilized in the final project design. Exact site dimensions, topography, existing utilities, soil conditions and drainage solutions.

WARNING: Accessible safety surfacing material is required beneath and around this equipment that has a critical height value (Fall Height) appropriate for the highest accessible part of this equipment. Refer to the CPSC'S Handbook For Public Playground Safety, Section 4: Surfacing.



STRUCTURE # R50389D1A
PROJECT # PPT24AB71DB-1
DATE 7/19/2024

Park Planet
MIN. USE ZONE 0' x 0' (0m x 0m)

C.D. SEMPLE PARK - OPTION 1

TOP VIEW

ADA ACCESSIBILITY GUIDELINES - ADAAG CONFORMANCE

ELEVATED	ACCESSIBLE	RAMP ACCESSIBLE	GROUND	TYPES
0	0/0	0/0	4/0	1/0
CHILD CAPACITY	4	MAX FALL HEIGHT	96	

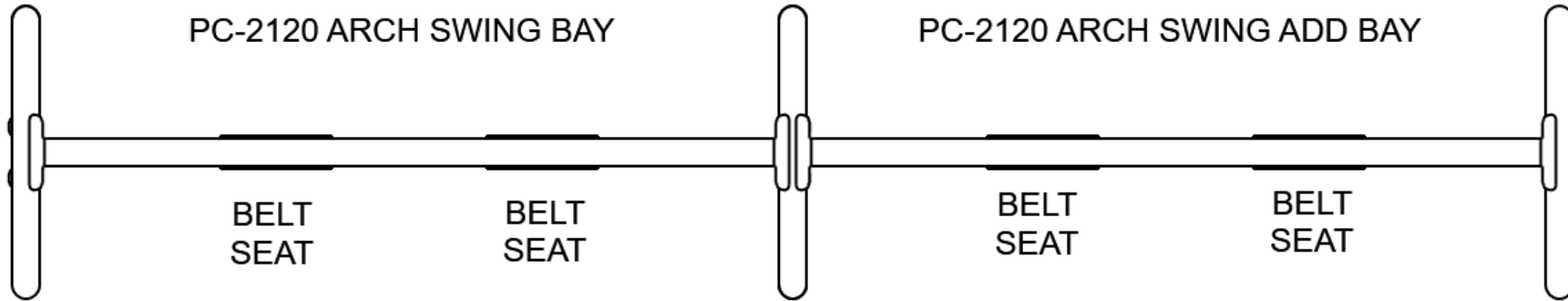
Item 3.

5-12

GENERAL NOTES

This conceptual plan is based on information provided prior to construction. Detailed site information, including the following, should be obtained, evaluated, and utilized in the final project design. Exact site dimensions, topography, existing utilities, soil conditions and drainage solutions.

WARNING: Accessible safety surfacing material is required beneath and around this equipment that has a critical height value (Fall Height) appropriate for the highest accessible part of this equipment. Refer to the CPSC'S Handbook For Public Playground Safety, Section 4: Surfacing.



STRUCTURE # FREPC2120
 PROJECT # PPT24AB71DB-1
 DATE 7/19/2024

Park Planet

MIN. USE ZONE 36' x 30' (10.911m x 9.144m)



C.D. SEMPLE PARK - OPTION 1

TOP VIEW

ADA ACCESSIBILITY GUIDELINES - ADAAG CONFORMANCE

ELEVATED	ACCESSIBLE	RAMP ACCESSIBLE	GROUND	TYPES
0	0/0	0/0	1/0	1/0
CHILD CAPACITY	1	MAX FALL HEIGHT	24	

Item 3.

5-TZ

GENERAL NOTES

This conceptual plan is based on information provided prior to construction. Detailed site information, including the following, should be obtained, evaluated, and utilized in the final project design. Exact site dimensions, topography, existing utilities, soil conditions and drainage solutions.

WARNING: Accessible safety surfacing material is required beneath and around this equipment that has a critical height value (Fall Height) appropriate for the highest accessible part of this equipment. Refer to the CPSC'S Handbook For Public Playground Safety, Section 4: Surfacing.



PC 1347
Astro
Rider

STRUCTURE # FREPC1347
PROJECT # PPT24AB71DB-1
DATE 7/19/2024

Park Planet

MIN. USE ZONE 14' x 16' (4.173m x 4.851m)

C.D. SEMPLE PARK - OPTION 1

SITE PLAN

ADA ACCESSIBILITY GUIDELINES - ADAAG CONFORMANCE

ELEVATED	ACCESSIBLE	RAMP ACCESSIBLE	GROUND	TYPES
9	9/5	4/0	19/0	4/0

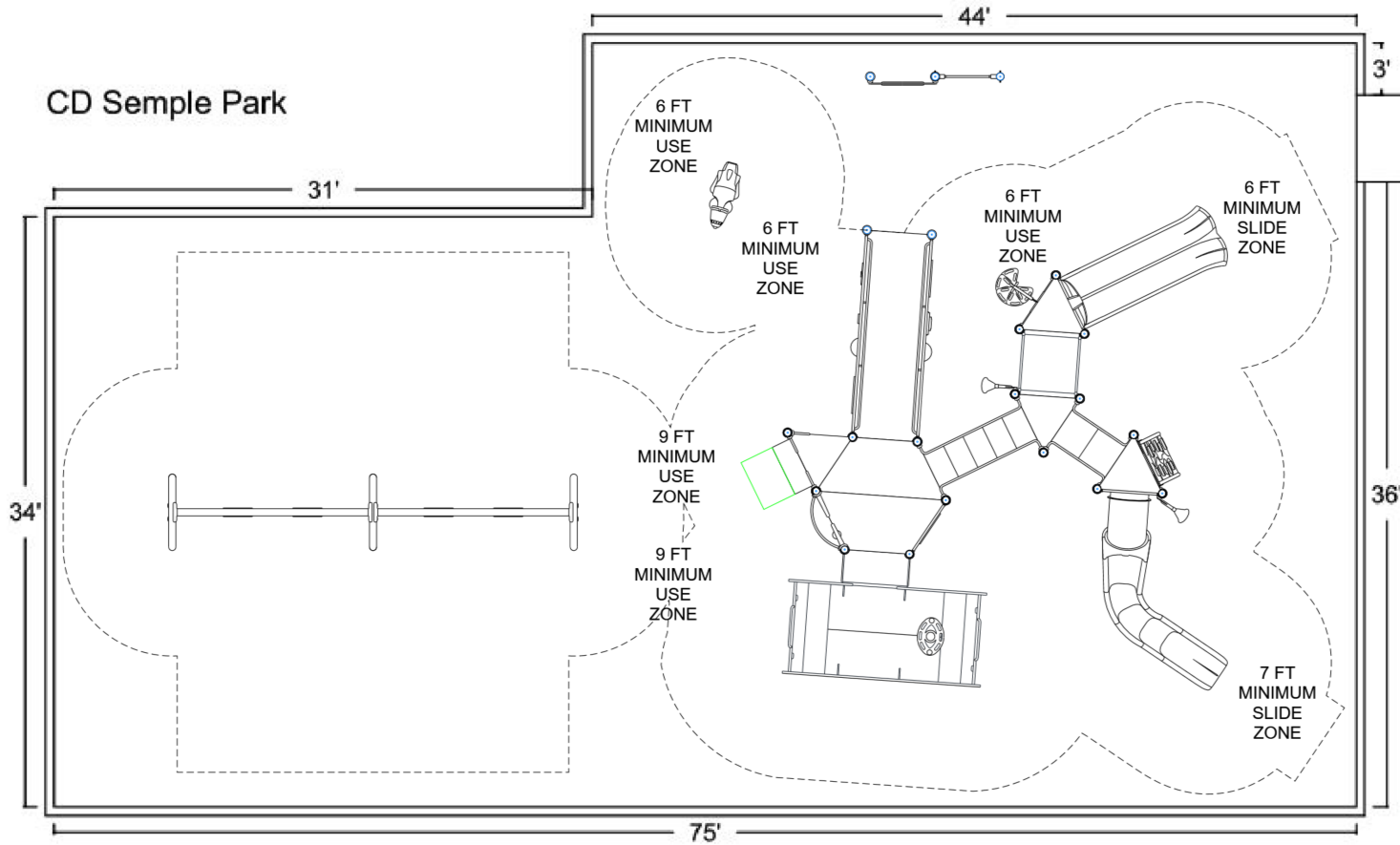
R5
Item 3.

GENERAL NOTES

This Preliminary Site Plan is based on measurements that were provided in the initial planning phase. All dimensions must be verified prior to the submission of a purchase order. Playcraft Systems will not be held responsible for any discrepancies between actual dimensions and dimensions submitted in the planning phase.

The Minimum Use Zone for a play structure is based on the product design at the time of proposal. Components and structure designs may be subject to change which may affect dimensions. Therefore, before preparing the site, we strongly recommend obtaining final drawings from the factory (available after the order is placed and included in the Assembly Manual).

WARNING: Accessible safety surfacing material is required beneath and around this equipment that has a critical height value (Fall Height) appropriate for the highest accessible part of this equipment. Refer to the CPSC'S Handbook For Public Playground Safety, Section 4: Surfacing.



ADA Access Point

PROJECT # PPT24AB71DB-1
DATE 7/19/2024

Park Planet
MIN. USE ZONE 77' x 43' (23.266m x 13.005m)



C.D. SEMPLE PARK - OPTION 1
SW VIEW

R5 Item 3.
5-12

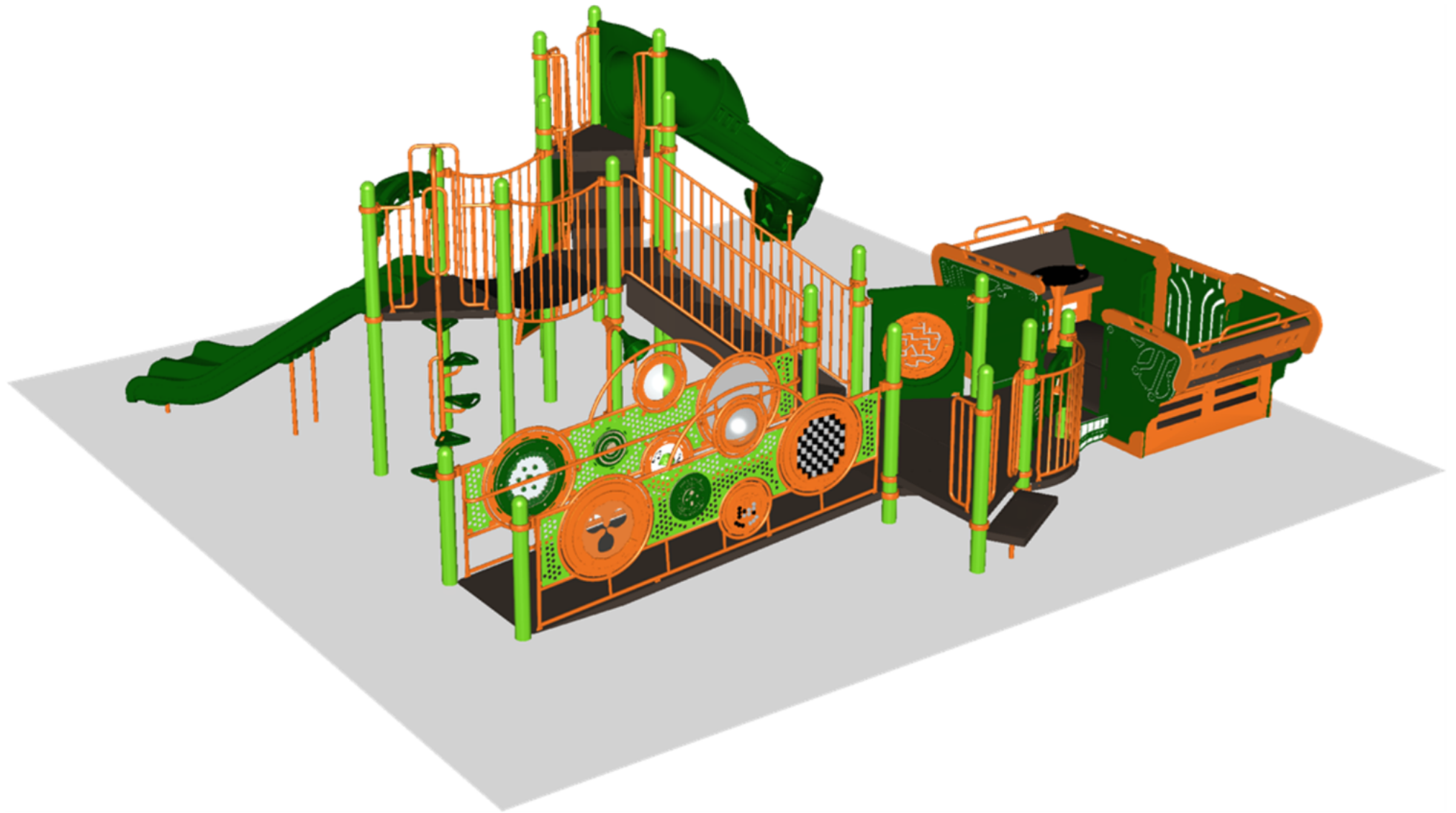


STRUCTURE # R50C7B25A
PROJECT # PPT24AB71DB-1
DATE 7/19/2024

C.D. SEMPLE PARK - OPTION 1
NE VIEW

R5

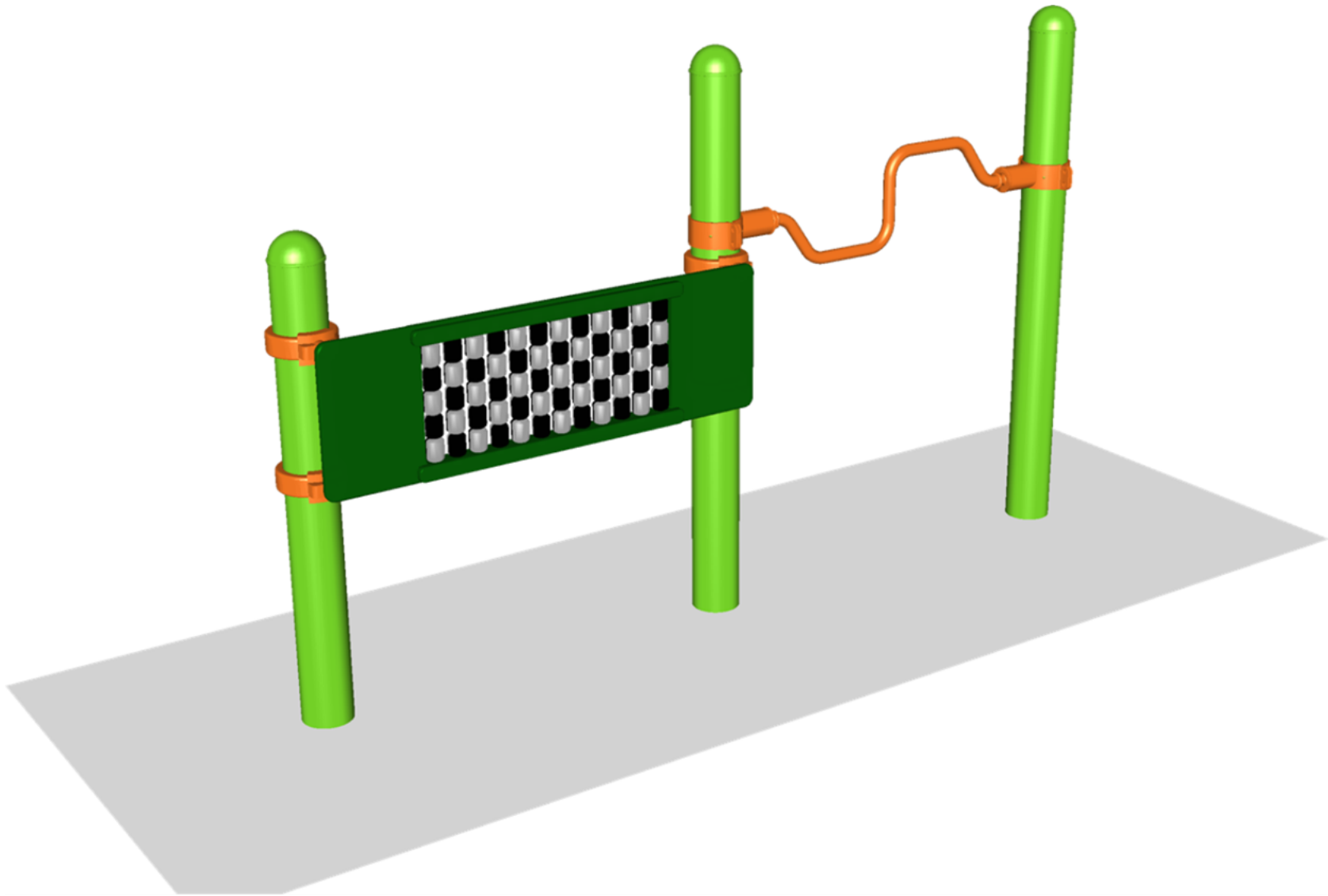
Item 3.
5-12



STRUCTURE # R50C7B25A
PROJECT # PPT24AB71DB-1
DATE 7/19/2024

C.D. SEMPLE PARK - OPTION 1
SW VIEW

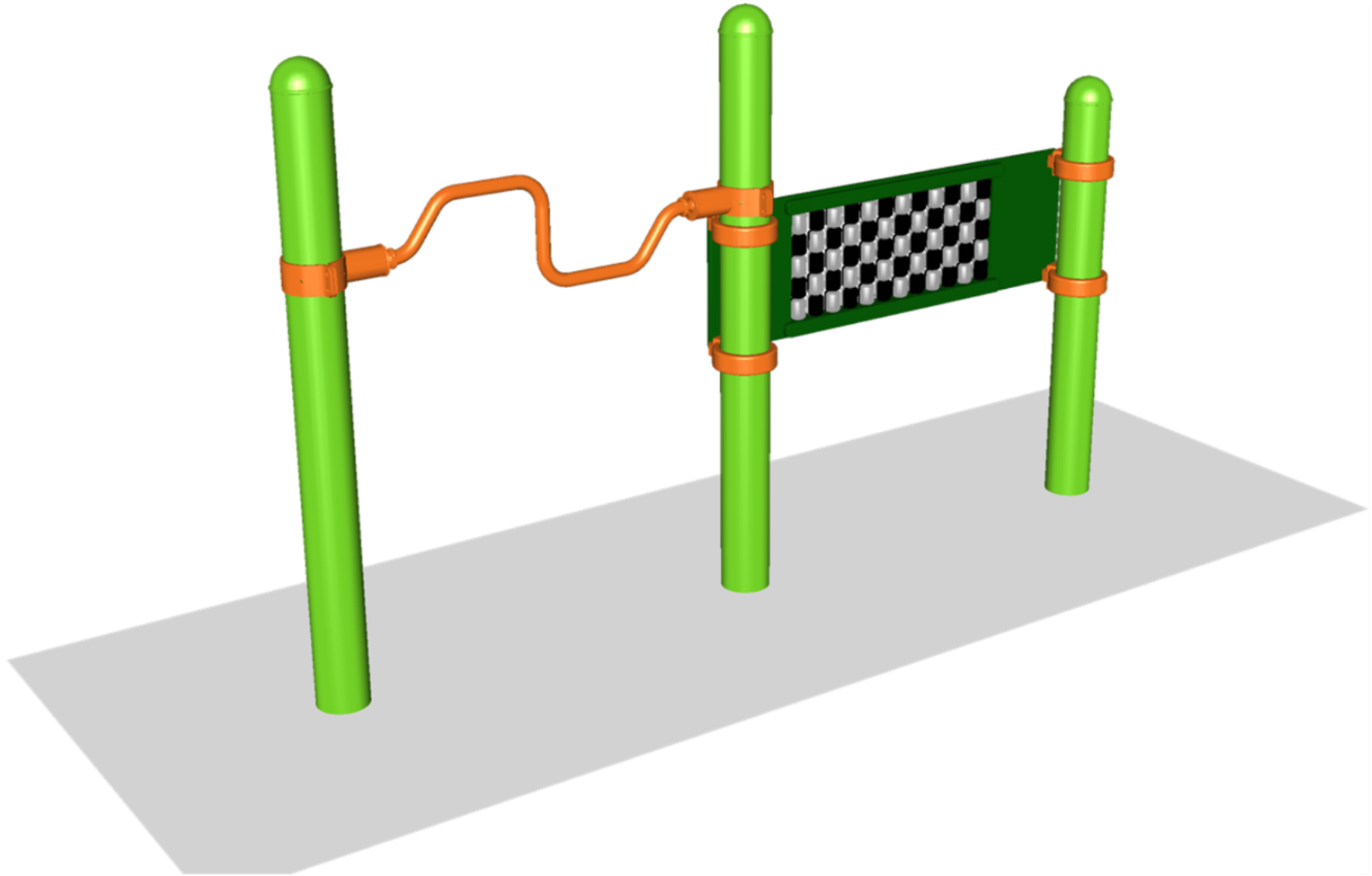
R5
Item 3.
5-12



STRUCTURE # R50389D1A
PROJECT # PPT24AB71DB-1
DATE 7/19/2024

C.D. SEMPLE PARK - OPTION 1
NE VIEW

R5
Item 3.
5-12

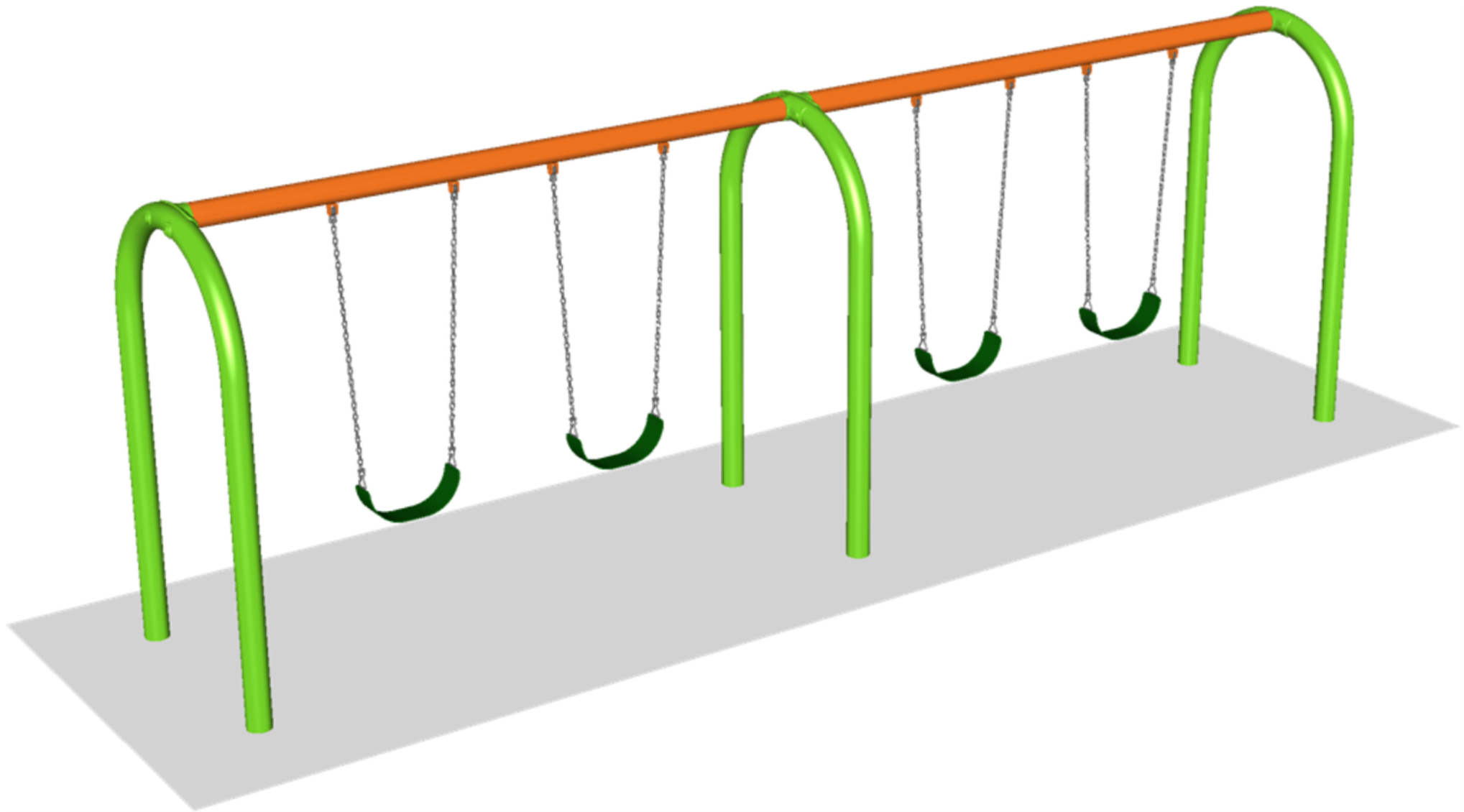


STRUCTURE # R50389D1A
PROJECT # PPT24AB71DB-1
DATE 7/19/2024

C.D. SEMPLE PARK - OPTION 1
SW VIEW

Item 3.

5-12

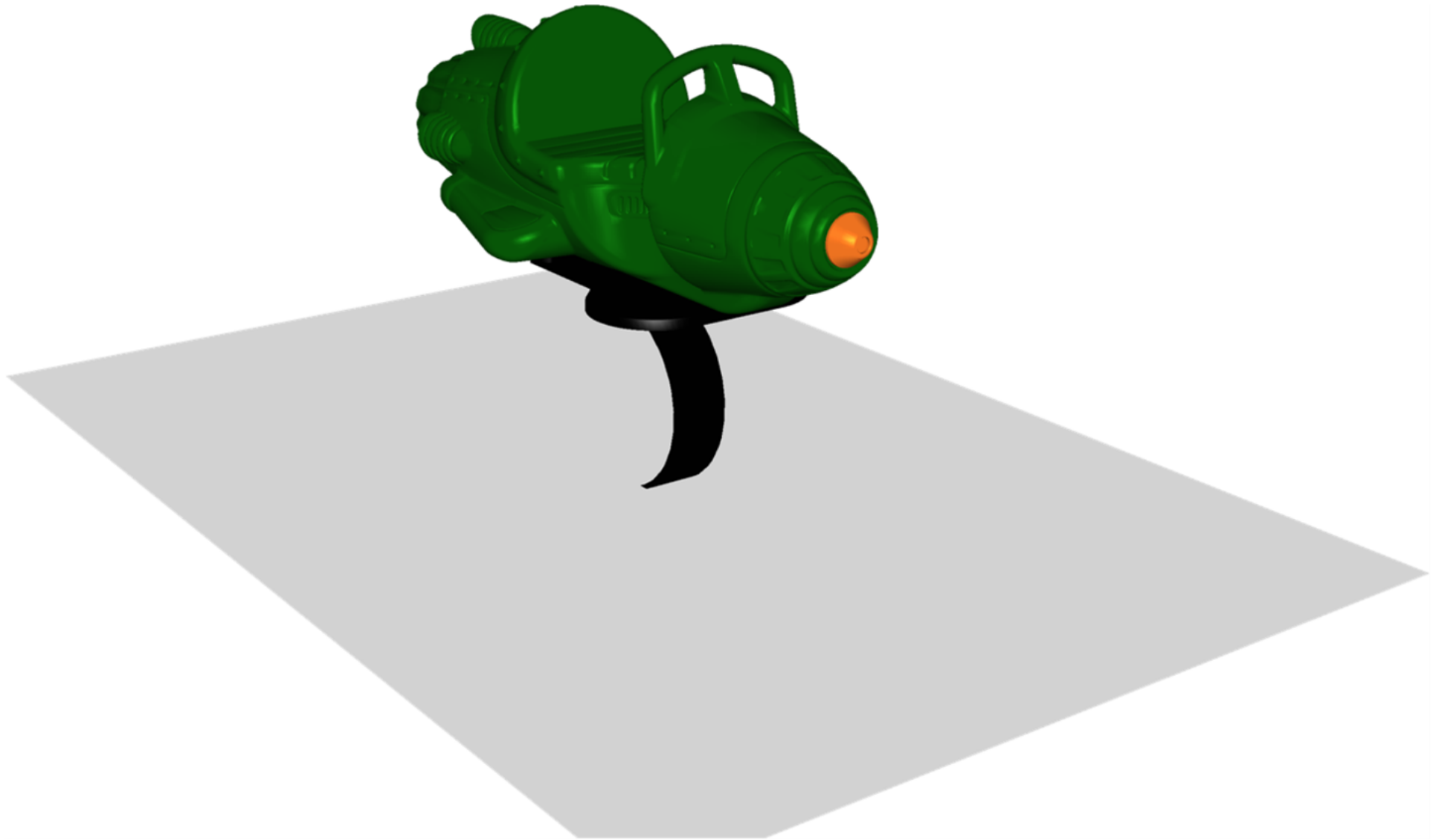


STRUCTURE # FREPC2120
PROJECT # PPT24AB71DB-1
DATE 7/19/2024

C.D. SEMPLE PARK - OPTION 1
SW VIEW

Item 3.

5-12



STRUCTURE # FREPC1347
PROJECT # PPT24AB71DB-1
DATE 7/19/2024

C.D. SEMPLE PARK - OPTION 1

Project # PPT24AB71DB-1

Date 7/19/2024

Item / Part Number	Description	Qty
[R50C7B25A]		
HS-1004-R	Collars	51
GF-7002	Dome Cap, R5	18
S-1007-R5-07ft	Post, 07ft R5	2
S-1008-R5-08ft	Post, 08ft R5	2
S-1009-R5-09ft	Post, 09ft R5	5
S-1012-R5-12ft	Post, 12ft R5	4
S-1013-R5-13ft	Post, 13ft R5	2
S-1014-R5-14ft	Post, 14ft R5	3
S-1102-R5	Tri-Deck	4
S-1106-R5	Hex Deck, Half (4 Post)	2
S-1109-R5	Balcony Deck	1
S-1202-R5	Step Deck, 18in	1
S-1206-24R45	ADA Stairs, 24in Rise w/ Walls	1
S-1206-48R5	ADA Stairs, 48in Rise w/ Walls	1
S-1208-SRP	Sensory Ramp 144in (Ground, Playful, Inc.)	1
S-1234-5R	Climber, Spiral Step 54-60in	1
S-1248-7	Climber, Poly Climbing Wall 78-84in	1
S-1306-R5	Double Slide SitDown Hood	1
S-1309-2-R5	Half Walls (Pair) R5	1
S-1309-R5	Transfer Point (Half Wall - Right)	1
S-1310-R5	Transition Wall	1
S-1504-R5	Bridge, Belt (45in)	1
S-1634-R5	Labyrinth Panel	1
S-1661-R5	Panel Pal, Bell	1
S-1668-R5	Panel Pal, Match Game	1
S-1702-5R5	Slide, Double 60in	1
S-1709-7L-LLS	Slide, Portal 84in (L-L-S, Left)	1
S-1910-R5	Talk Tube (Post Mounted, Right)	2
S-1975-R5	Access-Glider	1
[R50389D1A]		
HS-1004-R	Collars	4
GF-7002	Dome Cap, R5	3
S-1007-R5-07ft	Post, 07ft R5	1
S-1008-R5-08ft	Post, 08ft R5	2
S-1686-R5	Inclusive Panel, Mosaic (Ground)	1
S-1933-R5	Spin Cycler	1

C.D. SEMPLE PARK - OPTION 1

Item / Part Number	Description	Qty
FREPC2120		
A2-2120	PC 2120-8ft Arch Swing Bay (2 Seat)	1
A2-2120-AB	PC 2120-8ft Arch Swing Bay (2 Seat) AB	1
A2-313010	Belt Seat	4
FREPC1347		
A2-1347	PC 1347 Astro Rider	1

RESOLUTION NO. 24-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLUSA APPROVING THE PURCHASE AND PROJECT FOR CD SEMPLE INCLUSIVE PLAYGROUND PROJECT

WHEREAS, on August 20, 2024, the City of Colusa City Council approved the presented project for CD Semple Park Inclusive Playground;

WHEREAS, on August 20, 2024, the City of Colusa City Council approved the allocation of ARPA and Measure B Funds to be utilized as presented; and

WHEREAS, on August 20, 2024, the City of Colusa City Council approved City Manager to move forward with Quote # Q24-3294 with Park Planet.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF COLUSA DOES HEREBY RESOLVE:

1. Recitals. The foregoing recitals are true and correct and made part of this Resolution.
2. Effective Date. This Resolution shall be effective immediately.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

Passed and adopted this 20th day of August 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

DANIEL VACA MAYOR

ATTEST:

Shelly Kittle, City Clerk



CITY OF COLUSA
425 Webster Street
Colusa, CA 95932
530.458.4941

August 20, 2024

The Honorable Elizabeth Ufkes Olivera
Presiding Judge
Superior Court of California, County of Colusa
532 Oak Street
Colusa, California 95932

Dear Judge Olivera,

As required by law, this letter is the City of Colusa City Council’s official response to the 2021-2022 Colusa County Civil Grand Jury report dated June 26, 2024, entitled “2023-2024 Colusa County Grand Jury Final Report- Report #1 City of Colusa”. The Colusa City Council has taken this report seriously and appreciates the time the Grand Jury took investigating and reporting. Please accept our responses and take into consideration that some corrective measures are in process.

Council Responses to Grand Jury Findings

- F1. Council acknowledges that the City has developed and implemented policies associated with planning and permitting of City sponsored events and has updated the credit card use policy.
- F2. Council acknowledges that the City looked at the City’s current purchasing policy in November 2023 and found that the majority of the Council determined that the City’s current purchasing policy was up to date and if anything needed to be changed it was to raise the dollar amount due to the economy.
- F3. Council feels that city administrators have a good understanding of the purchasing policy.
- F4. Council feels that staff does not have issues with the implementation of the existing purchasing policy.
- F5. Council acknowledges that the City’s Website is lacking the elected City Treasure and City Attorney contact information.

Council Response to Grand Jury Recommendations

R1 Response

The City of Colusa City Council has gone over the current purchasing policy and feel that it is consistent with the City’s needs and will be reviewed on a recurring basis to see if modifications are necessary.

R2 Response:

The City of Colusa is a member of the California League of Cities which provides elected official training. City staff has weekly meetings which allow us to keep the city administration and staff responsible for expenditures up to date on our policies.

R3 Response:

The City Council will have the administrators and staff that are responsible for the expenditure of public moneys attest in writing that they have received the purchasing policy and understand its terms.

R4 Response:

The City of Colusa currently has two members of the Council on the budget Ad Hoc committee and every year they go over the budget and recommend how money will be spent in that fiscal year. It is not in the City's elected treasurer's responsibility per Government Code 41001, 41002, 41003, 41004, 41005, 41006, and 41007.

R5 Response:

The City Council will have the contact information for the elected City Treasurer and the City Attorney added to the City's website before 2025.

In closing, we, the City Council, take pride in our community and consider ourselves very fortunate to be living in such a great city. We greatly appreciate our hard-working staff and employees. The City of Colusa City Council appreciates Your Honor's consideration of this letter and the work of the Grand Jury.

Respectfully,

Daniel Vaca, Mayor
City of Colusa

RESOLUTION NO. 24-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLUSA APPROVING THE GRAND JURY RESPONSE LETTER

WHEREAS, the City Council agrees to the Grand Jury response letter; and

WHEREAS, on August 20, 2024, the City of Colusa City Council authorizes the Mayor to sign the City of Colusa City Council response letter to the Colusa County Grand Jury.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF COLUSA DOES HEREBY RESOLVE:

1. Recitals. The foregoing recitals are true and correct and made part of this Resolution.
2. Approval. The City of Colusa City Council approves the resolution to authorize the Mayor to sign the grand jury response letter, and:
3. Effective Date. This Resolution shall be effective immediately.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

Passed and adopted this 20th day of August 2024, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

DANIEL VACA, MAYOR

Shelly Kittle, City Clerk



Colusa County Civil Grand Jury
PO Box 715
Colusa, CA 95932
Phone (530) 458-0431

June 26, 2024

Mayor Daniel Vaca
City of Colusa
425 Webster Street
Colusa, CA 95932

Re: Enclosed Report: 2023-2024 Colusa County Grand Jury Final Report – Report #1 City of Colusa.

Dear Mayor Vaca,

On behalf of the 2023-2024 Colusa County Grand Jury, I am providing to you the following report or portions thereof:

2023-2024 Colusa County Grand Jury Final Report – Report #1 City of Colusa

The report will be released to the public on **June 28, 2024**. This report is being provided to you in advance of its general release pursuant to Penal Code section 933.05, subdivision (f), which provides:

A grand jury shall provide to the affected agency a copy of the portion of the grand jury report relating to that person or entity two working days prior to its public release and after the approval of the presiding judge. No officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report.

It is very important that you comply with this confidentiality requirement.

The Penal Code also prescribes the obligations of a governing board or elected county official with regard to responding to the grand jury's findings and recommendations. Specifically, if the report contains one or more recommendations directed to you as an elected county official, or to the governing board of which you are a member, you must respond to those recommendations and to the supporting findings, as directed in the report.

The time within which to respond is prescribed by subdivision (c) of Penal Code section 933, which states in relevant part:

No later than 90 days after the grand jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the superior court on the findings and recommendations pertaining to matters under the control of the governing body, and every elected county officer or agency head for which the grand jury has responsibility pursuant to Section 914.1 shall comment within 60 days to the presiding judge of the superior court, with an information copy sent to the board of supervisors, on the findings and recommendations pertaining to matters under the control of that county officer or agency head and any agency or agencies which that officer or agency head supervises or controls. In any city and county, the mayor shall also comment on the findings and recommendations. **All such comments and reports shall forthwith be submitted to the presiding judge of the superior court who impaneled the grand jury.**

The Penal Code also prescribes the content of your responses. Subdivisions (a) through (c) of Penal Code section 933.05 state:

- (a) For purposes of subdivision (b) of Section 933, as to each grand jury finding, the responding person or entity shall indicate one of the following:
- (1) The respondent agrees with the finding.
 - (2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed **and shall include an explanation of the reasons therefor.**
- (b) For purposes of subdivision (b) of Section 933, as to each grand jury recommendation, the responding person or entity shall report one of the following:
- (1) The recommendation has been implemented, **with a summary regarding the implemented action.**
 - (2) The recommendation has not yet been implemented, but will be implemented in the future, **with a time frame for implementation.**
 - (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, **and a time frame for the matter to be prepared for discussion** by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the grand jury report.
 - (4) The recommendation will not be implemented because it is not warranted or is not reasonable, **with an explanation therefor.**

- (c) However, if a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the department head and the board of supervisors shall respond if requested by the grand jury, but the response to the board of supervisors shall address only those budgetary or personnel matters over which it has some decision making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

Please be aware that your responses will be a matter of public record and widely read by both community members and local media. Therefore, it is important that your responses be as clear and specific as possible. A response that is vague, does not provide a clear explanation of any action that has or will be taken, or that does not include a specific time frame for implementation, is neither helpful nor legally sufficient. Furthermore, if a response does not comply with the applicable provisions of the California Penal Code, you may be directed by the presiding judge to provide an amended response.

Please send your response addressed to the Honorable Elizabeth Ufkes Olivera, Presiding Judge, Colusa Superior Court, 532 Oak Street Colusa, CA 95932, with a copy to the Grand Jury, within the time period provided in subdivision (c) of Penal Code section 933 (see above).

Thank you for your cooperation in providing a meaningful and timely response.

Sincerely,



Kevin Spesert
Foreperson, 2023-2024 Colusa County Grand Jury

CITY OF COLUSA

SUMMARY

Under its statutory authority, the Colusa County Grand Jury (Grand Jury) conducted an investigation to review the City of Colusa’s actions and progress in implementing the findings and recommendations of the 2021-2022 Grand Jury Report titled “Misuse of Public Funds and Multiple Code and Violations for City of Colusa”. The focus of this investigation was not to reopen the 2021-2022 investigation, but rather review the actions that the City of Colusa has taken to date to implement the recommendations that were identified in the 2021-2022 report. The Grand Jury specifically investigated the City of Colusa’s progress in developing new policies, or updating existing policies, to address the concerns raised in the 2021-2022 Grand Jury Report.

The Grand Jury found that the City of Colusa has generally made progress in addressing the concerns identified by the 2021-2022 Grand Jury. However, through a review of the public record, and based on interviews with City administration and staff, the Grand Jury has concluded that the City of Colusa has not updated its Purchasing Policy as it had represented in its response to the 2021-2022 Grand Jury Report.

BACKGROUND

The 2021-2022 Colusa County Grand Jury published an investigative report titled “Misuse of Public Funds and Multiple Code and Violations for City of Colusa” on June 24, 2022. The report was in response to multiple written public complaints regarding the City of Colusa sponsored events in the summer of 2021. The report identified several instances of misuse of public funds, violations of state and local event permitting regulations, and violations of several City of Colusa policies and procedures. As a result of the report, the City of Colusa committed to addressing the issues identified in the report, including updating existing policies and developing new policies and procedures to remediate the issues identified by the 2021-2022 Grand Jury.

At its August 2, 2022 meeting, the Colusa City Council considered the adoption of a letter of response to the 2021-2022 Grand Jury’s findings. Based on concerns expressed by members of the City Council and members of public as to the adequacy of the proposed response, the City Council established an Ad Hoc Committee to develop a revised response letter for City Council consideration. At its August 16, 2022 meeting, the Colusa City Council considered the adoption of the revised letter of response developed by the Ad Hoc Committee. This revised letter of response was approved unanimously by the City Council.

METHODOLOGY

Information for this investigation was sources from the following:

- 2021-2022 Grand Jury Report
- City of Colusa Letter of Response to 2021-2022 Grand Jury Report

- City of Colusa City Council Meeting Agendas, Staff Reports and Meeting Minutes
- City of Colusa Policy and Procedures Documents
- Interviews with City Administration and Staff
- California Grand Jurors Association (<https://cqja.org/>)
- Colusa County Grand Jury Procedures Manual

DISCUSSION

In the City of Colusa's letter of response to the 2021-2022 Grand Jury Report approved by the City Council on August 16, 2022, the City acknowledge numerous violations of City policies and committed to update these polices to address the issues raised by the 2021-2022 Grand Jury. As part of these commitments, the City agreed to develop policies and protocols for city sponsored events, updating the credit card use policy, and updating the City's Purchasing Policy.

During the course of its investigation, the Grand Jury has confirmed that the City of Colusa has developed and implemented a policy associated with the planning, permitting, and expenditure of public funds for City sponsored events and has made updates to its credit card use policy to address the concerns that were raised by the 2021-2022 Grand Jury.

However, during the course of its investigation, the Grand Jury concluded after a thorough review of the public record and by interviews conducted with city administrators and staff that the City of Colusa did not make updates to its existing Purchasing Policy as it had represented in its letter of response to the 2021-2022 Grand Jury Report.

In its August 16, 2022 response letter, the City of Colusa stated in its response to Grand Jury Finding Number 5 that it acknowledged that the City had violated its Purchasing Policy by making large monetary purchases related to the 2021 City sponsored summer events without attempting to get at least three (3) competitive quotes for qualified items or utilizing local business first. The response further stated that the City's Purchasing Policy had been amended on November 2, 2021.

At its November 2, 2021 meeting, the Colusa City Council Agenda included an item to consider updating the City's Purchasing Policy. The staff report associated with the agenda item was submitted by the City Manager. The staff report noted that the City of Colusa last amended its Purchasing Policy on April 17, 2012. The report further noted that the City Manager did not see a need to change the current policy, but the City Council could consider changing dollar amounts to reflect current costs and how to purchase items with the new digital age.

Meeting minutes from the November 2, 2021 meeting note that the City Manager asked the council if it had any changes to the Purchasing Policy but do not indicate if the Council Members made any suggested changes or additions. The meeting minutes also note that the City Attorney recommended adding detailed bid specifications and the City Manager recommended adding Requests for Qualifications, but the meeting minutes do not indicate if these additions were made to the Purchasing Policy or considered by the city council. The meeting minutes further state that there were no public comments and that there was no council action needed.

Additionally, the Grand Jury reviewed the City Council meeting agendas and meeting minutes - from November 2, 2021 to the present - and concluded that there has not been any action taken by the City of Colusa to update its existing Purchasing Policy as of the date of this report. Based on this review of the public record, the Grand Jury has concluded that the City of Colusa did not make updates to its existing Purchasing Policy as it had represented in its letter of response to the 2021-2022 Grand Jury Report.

In the course of its investigation, the Grand Jury conducted several interviews with City of Colusa administrators and staff regarding its progress in implementing the findings and recommendations of the 2021-2022 Grand Jury Report. These interviews confirmed that the City has made general progress in addressing some of the concerns, however they also confirmed that the City has not made updates to its existing Purchasing Policy as it represented in its letter of response to the 2021-2022 Grand Jury Report.

During the interviews that the Grand Jury conducted, several of the interviewees expressed concerns about the implementation of the City's current Purchasing Policy. These interviewees identified confusion among city staff regarding the requirements of the policy, inconsistencies in the implementation of the Purchasing Policy, lack of transparency in reporting purchases, and concerns regarding the general management and oversight of the process to ensure compliance with City's adopted policy. The information the Grand Jury received from the interviewees who expressed these concerns was consistent across all of the interviews.

In light of the issues identified in the 2021-2022 Grand Jury report regarding the Purchasing Policy - and through the investigation and interviews conducted by the current Grand Jury - the Grand Jury has concluded that the City of Colusa should make a thorough review of its current Purchasing Policy and make all necessary and appropriate revisions to ensure that the expenditure of public funds for City purposes is conducted in a professional and transparent manner.

Further, the Grand Jury has concluded that once the City makes the necessary and appropriate revisions to the Purchasing Policy, the City should conduct a training program for city staff responsible for the expenditure of public funds, department heads who approve the expenditure of public funds, newly hired employees, and other appropriate staff to ensure that the protocols and requirements of the Purchasing Policy are consistently implemented.

During the course of the investigation, the Grand Jury was not able to find the contact information for some city administrators from the City of Colusa's public website. The Grand Jury specifically noted that the contact information for the elected City Treasurer and the City Attorney were not available on the City's website. The Grand Jury concluded that, as an elected official, the City Treasurer's contact information should be available to the public and that the City Attorney's contact information should be included on the City Website.

FINDINGS

- F1. The Grand Jury finds that the City of Colusa has made good progress in the development and implementation of policies associated with the planning and permitting of City sponsored events and has made updates to its credit card use policy.

- F2. The Grand Jury finds that the City of Colusa did not make updates to its existing Purchasing Policy as it had represented in its letter of response to the 2021-2022 Grand Jury Report.
- F3. The Grand Jury finds that there exists confusion and a lack of general understanding among City of Colusa administrators and staff regarding the applicability and requirements established in the City's current Purchasing Policy.
- F4. The Grand Jury finds that some city administrators and staff have identified issues and concerns with the City's implementation of the existing Purchasing Policy.
- F5. The Grand Jury finds that the City of Colusa website should include the contact information for the elected City Treasurer and City Attorney.

RECOMMENDATIONS

- R1. The Grand Jury recommends that the City of Colusa conduct a thorough review of the existing Purchasing Policy and make all necessary and appropriate revisions to address the deficiencies identified by the 2021-2022 Grand Jury Report and to make any appropriate updates to ensure the City's Purchasing Policy is consistent and reflects current regulations, ordinances, and policies by December 31, 2024.
- R2. The Grand Jury recommends that the City of Colusa develop a training program for elected officials, city administrators and staff who are responsible for the expenditure of public money that is consistent with the City's Purchasing Policy. This training should be held on an annual basis.
- R3. The Grand Jury recommends that all City of Colusa administrators and staff responsible for the expenditure of public money attest in writing that they have received Purchasing Policy training and understand their duties and obligations as established in the Purchasing Policy.
- R4. The Grand Jury recommends that the City of Colusa establish an Ad Hoc Committee of the City Council that includes two (2) City Council members and the elected City Treasurer to provide general oversight of the City's Purchasing Policy and the expenditure of public money - including a regular review of expenditures to ensure consistency with the City's adopted policy. The Ad Hoc Committee should report out to the full City Council and the community at a regularly scheduled meeting of the City Council on a quarterly basis highlighting the Ad Hoc Committee's activities.
- R5. The Grand Jury recommends that the City of Colusa website include the contact information for elected City Treasurer and the City Attorney.

REQUEST FOR RESPONSES

The following responses are required pursuant to Penal Code §933 and §933.05:

From the following individuals and governing bodies:

City of Colusa:

- o Finding F1 – F5

- o Recommendations R1 – R5

DISCLAIMER

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code §929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

This report on the City of Colusa is issued by the full 2023-2024 Grand Jury. No Grand Jurors recused themselves from the investigation.



City of Colusa California

STAFF REPORT

DATE: August 20, 2024
TO: Mayor and Members of the Council
FROM: Jesse Cain, City Manager

AGENDA ITEM: Approve Resolution 24-

Recommendation: Council approves Resolution 24- for the BC&E Colusa 1 LLC for tax credits and 12.5% ownership.

BACKGROUND ANALYSIS: July 18, 2023, the City of Colusa City Council adopted resolution 23-41 signing the power purchase agreement and having the option of being 12.5% owners in BC&E Colusa 1 LLC.

This is a project that could take the City down a path to becoming much more energy efficient and non-dependent on PG&E power in the future at no cost to the City of Colusa. The City's goal would be to have the entire City utilizing renewable power within the next ten years. If all goes to plan, every one of our citizens wins and the City can generate future revenues that we need. This is a work in progress and a new venture which hasn't been done anywhere else. Things would be different if the City of Colusa had millions of dollars to do something like this on our own, but we don't. Staff has done its best to try to put together something that has the potential of creating for the City a new revenue stream that we have never seen before that could secure our future.

We believe that the City can be protected from liability for this project. BC&E must secure the biomass application and approval with PG&E so that we are guaranteed a profit on the Electricity that we purchase from BC&E. The project will be insured, at its cost, protecting the City and the \$5M given to the City in the event that the project is not completed or is found to have deal structure or performance issues over the next 5 years that would trigger a recapture of funds event. This greatly reduces any liability to the City. We are not saying that we may not have potential liabilities to the City since there is always risk in running a City, but what we can do is protect ourselves the best we can.

As of right now by passing this resolution, the worst thing that can happen is the project is not completed and the City receives nothing. The best-case scenario is that the IRS agrees with the project, the project is completed and operational generating 5 megawatts of power. And the City of Colusa has a new revenue stream, being 12.5% ownership there would also be

additional money that we could receive in revenues. If the tax credits come to fruition and this project gets started the goal would be to eventually start three more of these facilities over the next 24 months. The revenues generated from this project would be general fund money that could be used at the council's discretion.

On March 5, 2024, the U.S department of treasury, IRS released the final rules on provisions to expand the reach of clean energy tax credits through President Biden's investing in America agenda. The new Inflation Reduction Act provisions now allow State, Local and Tribal Governments that are tax-exempt to have access to the investment tax credit funds for building a clean energy economy.

This program is called elective pay and is also commonly called direct pay in the industry. The City would be required to file certain special forms with the Internal Revenue Service claiming the investment tax credits. The federal government then pays those funds to the City, which then has four years to use the funds on the project identified in their tax return filing.

BUDGET IMPACT: Difficult to determine at this point, though the City isn't being asked to contribute anything financially beyond the investment tax credit funds potentially received from the federal government, and there is the potential of future significant financial benefits.

STAFF RECOMMENDATION: Council to approve Resolution 24-

ATTACHMENT:

Resolution

Summary BC&E USA COLUSA 1 LLC

BC&E Land LOI TDP

BC&E STCTP PSA

Holding 40 TPD purchase and sale contract

RGE PAS for 3 MW unit

BC&E addendum to EPC

HCI EPC HCI executed with a and b

SCI EPC SCI Executed with a and b

Operating Agreement

BC&E letter to City Council

BC&E USA 15 year & quarterly proforma

Pacific Ag Wrap Insurance

Appraisal Report

Owners Resume's

Colusa Proforma

BC&E Colusa LLC sources and Users funds

Colusa exhibit for allocation of tax credits

Cressisa 2861 Niagara ave Colusa final

Option Exercise and agreement to collect and Disburse

Option Grant agreement

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLUSA APPROVING AN
 OPTION EXERCISE AND AGREEMENT TO RECEIVE AND DISBURSE FEDERAL
 INFLATION REDUCTION ACT INVESTMENT TAX CREDITS WITH BC&E COLUSA 1
 LLC

WHEREAS, the City of Colusa and Company have entered into that certain Power Purchase Agreement dated July 18, 2023 (the “PPA”), that has considerable benefits to both the City of Colusa and Company; and

WHEREAS, to make such Power Purchase Agreement both attractive and beneficial to the City of Colusa, and as further consideration of such transaction, the parties have negotiated to provide to the City of Colusa an option (the “Option”) to purchase a 12.5% ownership stake in BC&E for a total consideration of \$1, as set forth in the Resolution of the Managing Members of the Company dated June 15, 2023 (the “Resolution”), and legally referred to under California Law as a “membership interest” (the “Units”); and

WHEREAS, BC&E, pursuant to the Operating Agreement of BC&E, and pursuant to California Law, has authorized the issuance of 100,000 Units to the Members of BC&E, and such 100,000 Units currently constitute 100% of the authorized Units of BC&E; and

WHEREAS, the Resolution has been unanimously approved by all the Members of BC&E pursuant to the Operating Agreement of BC&E; and

WHEREAS the City now desires to accept the option on the terms and conditions set forth in the Option Exercise and Agreement to Receive and Disburse Federal Inflation Reduction Act Investment Tax Credits.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF COLUSA DOES HEREBY RESOLVE:

1. Recitals. The foregoing recitals are true and correct and made part of this Resolution.
2. Approval. The City of Colusa City Council approves the resolution and the Option Exercise and Agreement to Receive and Disburse Federal Inflation Reduction Act Investment Tax Credits is substantially the form attached as Exhibit A hereto and incorporated by reference herein.
3. Authorization. The City Council authorizes the City Manager to sign the Option Exercise and Agreement to Receive and Disburse Federal Inflation Reduction Act Investment Tax Credits and necessary and related documents required to effectuate the intent of said agreement, and:
4. Effective Date. This Resolution shall be effective immediately.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

Passed and adopted this 20th day of August 2024, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

DANIEL VACA, MAYOR

A TEST:

Shelly Kittle, City Clerk

Exhibit A to Resolution No.

OPTION EXERCISE AND AGREEMENT TO RECIEVE AND DISBURSE FEDERAL INFLATION REDUCTION ACT INVESTMENT TAX CREDITS

This Agreement ("Agreement") is made and entered into as of [Date], by and between BC&E USA COLUSA 1 LLC, a California Limited Liability Company ("BC&E" or "Company"), and the City of Colusa, California ("City"), collectively (the "Parties").

RECITALS

WHEREAS, the City has the right to acquire a 12.5% Unit interest in the Company pursuant to that certain Option Grant dated July 18, 2023, between the Company and the City.

WHEREAS, the Company has sufficient Units available under its Operating Agreement dated June 15, 2023, and the Managing Members have authorized the issuance of such Units as set forth in the Resolution of the Managing Members of the Company dated June 15, 2023, and in a form as demonstrated by a copy of Unit Certificate Number 12 attached hereto as Exhibit A.

WHEREAS the Company is eligible to receive certain investment tax credits ("ITCs") under the Federal Inflation Reduction Act by virtue of the construction of the HREC conversion facility located in Colusa, California (the "Conversion Facility").

WHEREAS the Company qualifies for certain ITCs under the Federal Inflation Reduction Act and has taken such acts as necessary and sufficient to satisfy the IRS safe harbor requirement and other general qualifications for Company to qualify and to file for and claim the ITCs, and therefore the Company intends to file a tax return for the tax year 2023 to claim ITCs available under the Federal Inflation Reduction Act.

WHEREAS the Company desires, under the Direct Pay Option through the IRS vetting process, to designate the City as the recipient of the ITCs, and the City agrees to receive and distribute the ITCs.

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

SECTION 1: EXERCISE OF OPTION

1.1 Exercise of Option. The City hereby exercises its right to acquire a 12.5%-unit interest in the Company pursuant to the Option Grant, upon satisfaction of the conditions set forth in section 1.2 below, and as allowed by Company's Operating Agreement and as authorized by the Managing Members of the Company in a Unit Certificate. Company shall issue said Unit Certificate within 10 business days of the execution of this Agreement and the passage of Resolution Number ___ of the City Council of City, authorizing the City Manager of City to enter into this Agreement.

1.2 Requirement for an Agreement on Disbursement of City Funds. This exercise and acceptance of the Option is conditioned upon execution by the parties of an Agreement for Disbursement of City Funds, which will contain the terms and conditions upon which City will invest tax credits or other valuable consideration into the Company for purposes of developing the project.

SECTION 2: COLLECTION AND DISBURSEMENT OF ITCs

2.1 Filing for ITCs. City and Company shall seek and rely upon the advice of a neutral tax attorney who specializes in tax credit financing for public private partnerships and either the Company shall file a tax return for the tax year 2023 to claim the ITCs available under the Federal Inflation Reduction Act for the construction of the HREC conversion facility or the City will file appropriate forms with the Internal Revenue Service to obtain investment tax credit funds for investment into the project, subject to the terms and conditions of the Agreement for Disbursement of City Funds.

2.2 Designation of Recipient. If appropriate and necessary to utilize the elective pay provisions of the Inflation Reduction Act of 2022, the Company shall designate the City as the recipient of the full amount of the ITCs, that Company is entitled to receive because of the construction of the HREC conversion facility located in Colusa CA.

SECTION 3: INSURANCE

3.1 Tax Credit Recapture Insurance. The Company shall, at its cost and expense, obtain a tax credit recapture insurance policy that insures the City for any liability to the United States government, the United States Treasury, or the Internal Revenue Service for the recapture of any and all ITCs that the City has received pursuant to their investment of tax credit funds into the project, as well as penalties and interests should same be charged, due to any event which triggers a recapture claim to be made against the City or City's interest in the Company. The acquisition of this insurance policy is required before City disburses any funds related to the development of the Conversion Facility, excepting therefrom the actual cost of the recapture insurance policy.

SECTION 4: MISCELLANEOUS

4.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

4.2 Entire Agreement. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements and understandings of the parties in connection therewith.

4.3 Amendment. This Agreement shall only be amended in writing and signed by both parties.

4.4 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

4.5 Severability. If any provision of this Agreement is held to be invalid or unenforceable for any reason, the remaining provisions will continue in full force without being impaired or invalidated in any way.

4.6 Notices. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally, sent by registered or certified mail, return receipt requested, or sent by a nationally recognized overnight delivery service, to the addresses set forth below or to such other address as either party may designate by notice in accordance with this Section.

4.7 Waiver. No waiver of any term, provision, or condition of this Agreement, whether by conduct or otherwise, in one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, provision, or condition, or as a waiver of any other term, provision, or condition of this Agreement.

4.8 Force Majeure. Neither party shall be liable for any failure or delay in performing any of its obligations under this Agreement (other than the payment of money) if such failure or delay is due to any cause beyond the reasonable control of such party, including, but not limited to, acts of God, war, strikes, labor disputes, civil disturbances, government regulations, or any other cause beyond the control of the party whose performance is affected.

4.9 Termination. City shall have the right to terminate this agreement and rescind any ownership in the Company should the parties, after good faith efforts and negotiations, fail to secure the policy of tax credit recapture insurance or the parties cannot agree to terms and conditions of the Agreement for Disbursement of City Funds as discussed above in section 1.2. Any termination under this section requires a 30 day notice from the City to the Company in writing signed by the Mayor.

4.10 Confidentiality. The parties agree to keep confidential the terms of this Agreement and any proprietary information disclosed by either party in connection with the performance of this Agreement, except as required by law or as necessary to enforce the terms of this Agreement.

4.11 Headings. The headings used in this Agreement are for convenience only and shall not affect the interpretation of any of the provisions hereof.

4.12 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

4.13 Further Assurances. Each party agrees to perform any further acts and execute and deliver any further documents that may be reasonably necessary to carry out the provisions of this Agreement.

4.14 **Relationship of the Parties.** Nothing contained in this Agreement shall be deemed or construed as creating a joint venture or partnership between any of the parties hereto. No party is by virtue of this Agreement authorized as an agent, employee, or legal representative of any other party. No party shall have the power to control the activities and operations of any other party and their status is, and always will continue to be, that of independent contractors with respect to each other. No party shall have any power or authority to bind or commit any other party.

4.15 **Survival.** The representations, warranties, covenants, and agreements of the parties contained herein shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

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

Robert Norman, Managing Member of BC&E USA COLUSA 1 LLC

Jesse Cain, City Manager, an Authorized Officer of the City of Colusa, California

Approved as to Form:

Attest:

Ryan R. Jones, City Attorney

Shelly Kittle, City Clerk

BC&E USA COLUSA 1 LLC SUMMARY
A Sustainable Spark – 100 Ton Per Day Hybrid Renewable Center
Weaving a Tapestry of Green Energy Certainty



1. **Hybrid Renewal Energy Center (HREC):** BC&E USA COLUSA 1 LLC (BC&E) is developing and will be operating a 100 ton per day biomass waste to energy plant in Colusa County, California. This project will convert locally sourced biomass waste, such as agricultural residues, biosolids, forestry residues, cannabis waste, commercial wood waste, into renewable electricity. The electricity generated will be sold through a PPA to the local grid, offsetting fossil fuel dependence, and reducing greenhouse gas emissions.
2. **Technology and Innovation:** The BC&E USA facility will employ innovative, best available technologies (BAT) to maximize efficiency and minimize environmental impact:
 - Hybrid system:** Our biomass conversion technologies offer greater flexibility, higher efficiency, and economic viability.
 - Advanced emission control:** Air pollution control systems will minimize the release of particulate matter, nitrogen oxides, and sulfur dioxide.
 - Carbon capture and storage:** Exploring this technology as a potential future option to further reduce greenhouse gas emissions.

3. **What We Have Accomplished:** To ensure a reliable base load power to meet the executed PPA with the City of Colusa we have: 1) A proven technology that has been permitted by the Sacramento Air Quality Management Board. 2) We have obtained public support through transparent communication and community engagement. 3) We have obtained site location with interconnect ability. 4) We have partnered with technology providers, EPCs with extensive knowledge and expertise, and waste management experts to ensure efficient and sustainable operations. 5) We have engaged permitting experts to assist with the permit to operate commercially in the state of California with our technology. Must be permitted in accordance with local requirements. 6) We have a management team with experience and passion to effectively manage the operations in all phases.



The BC&E represents a bold step towards a more sustainable future. By harnessing the potential of waste, generating clean energy, and fostering innovation, this project can pave the way for a greener and more prosperous tomorrow.

4. **HREC Infrastructure:** The HREC will include 100 Ton Per Day proven Biomass Conversion Technology, over 45,000 square feet of solar panels, battery storage, and micro wind turbines. The HREC will be located on approximately 13 acres with over 55,000 square feet of processing and office buildings, 5 acres of Biomass management, two established interconnects, and pre and post processing of biomass and carbon char.

BC&E USA Colusa 1 LLC was formed as a Limited Liability Company with the Secretary of State of California 02/21/2023. The Company has resolved and shall be managed by a 5 (five) Member Board of Directors. The Member Board of Directors shall be comprised of the following:

- Appointee of Originating Manager
- Appointee of Developer
- Appointee of Investor Group
- Two appointees of the Members at large

Distinct Perspectives on BC&E's 100 TPD Renewable Energy Powerhouse

1. The Environmental Champion:

- Focus: Climate change mitigation, carbon sequestration, sustainable waste management.
- Highlights: Reduced carbon footprint through biochar production and renewable energy generation, diverting waste from landfills, promoting responsible agricultural practices.
- Target audience: Environmental activists, policymakers, concerned citizens, municipalities, and farmers.
- Key message: BC&E is leading the way in building a cleaner future by transforming waste into clean energy and valuable resources.

2. The Economic Engine:

- Focus: Job creation, revenue generation, local investment.
- Highlights: 45 plus new jobs, diverse revenue streams (tipping fees, carbon credits, biochar sales), partnership with the City of Colusa through Power Purchase Agreement for electrical production and sales
- Target audience: Businesses, investors, community members seeking economic opportunities.
- Key message: BC&E's HREC is not just a green project; it is an investment in the City of Colusa economic future.

3. The Community Catalyst:

- Focus: Community engagement, collaboration, sustainable development.
- Highlights: Partnerships with local farmers and businesses, biochar utilization for soil improvement, open communication, and transparency.
- Target audience: Residents of Colusa, community organizations, local stakeholders.
- Key message: BC&E's HREC is a community project, creating a cleaner environment and a brighter future for everyone.

4. The Innovation Hub:

- Focus: Technological advancement, research and development, clean energy solutions.
- Highlights: Innovative technologies with diverse feedstock potential, potential for attracting talent and investment, contributing to advancements in renewable energy production.
- Target audience: Research institutions, technology companies, investors in clean energy solutions, municipalities, DOE, and institutions of higher learning.
- Key message: BC&E HREC is not just a clean energy project; it is a platform for innovation and the development of next-generation solutions.

5. Challenges, Considerations and Harmony:

- Feedstock Sourcing: Ensuring a sustainable and responsible supply of biomass is crucial. Partnerships with local farmers and transparent sourcing practices are key to preventing deforestation or competition with food production.
- Community Engagement: Open communication and addressing concerns about potential environmental impacts, traffic, and odor are essential to building trust and ensuring community support.
- Policy Landscape: Navigating regulations and securing government support for renewable energy projects like this is crucial for long-term success.

A Symphony of Sustainability:

Due to our diversity in feedstocks, it brings a multitude of benefits:

- Reduced environmental impact: By utilizing waste streams from various sources, the facility minimizes reliance on traditional biomass like virgin wood, protecting forests and ecosystems.
- Enhanced economic resilience: Creating a market for diverse agricultural and industrial waste streams incentivizes sustainable practices and supports local businesses involved in waste collection and processing.
- Fueling innovation: Research and development on optimizing pyrolysis for different biomass types can lead to advancements in technology, making it even more efficient and versatile.

BC&E's HREC is not just about generating clean energy; it is a vibrant tapestry woven with diverse revenue streams, each thread strengthening the local communities environmental and economic fabric. BC&E can transform waste into a symphony of green profits:

1. Tipping Fees:

Imagine turning waste disposal into a stable revenue source. By accepting a variety of biomass from local farms, woodchippers, commercial wood production facilities, wastewater treatment plants and even cannabis processors, the facility generates income through tipping fees, creating a win-win for both BC&E and waste producers.

2. Carbon Char:

Our innovative technology does not just Convert; it transforms. The biochar produced is a valuable soil amendment, rich in carbon and nutrients. Farmers, landscapers, and nurseries will eagerly pay for this potent soil enhancer. Carbon Char is utilized in air and water filtration, pigmentation, and activated carbon. Due to the diverse applications and product utilization Carbon Char adds a steady stream of carbon-infused revenue to the facility's coffers.

3. Carbon Credits:

Every ton of CO₂ sequestered through biochar and by using clean energy earns BC&E precious carbon credits. These credits can be brokered on the Carbon Credits market, both nationally and internationally generating significant revenue while contributing to global climate goals.

4. Carbon and CO2 Sequestration:

Not all heroes wear capes. Biochar's superpowers include locking away carbon deep within the soil, acting as a natural carbon sink. This service, invaluable for offsetting emissions from other sectors, will be available to companies seeking carbon neutrality, bringing in yet another revenue stream.

5. Distributed Grid Electricity:

BC&E's clean energy is not just for show; it is ready to power homes and businesses. By providing electricity directly to the local grid or through microgrids, the facility becomes a decentralized energy hub, fostering energy independence and generating stable income.

Location:

2861 Niagara Ave. Colusa CA 95932

Capitalization:

Shareholder	Ownership Percentage	Number of Shares / Units
Founders	34%	34,000
City of Colusa	12.5%	12,500
EPC Contractors	21.5%	21,500
Equity Investor	15%	15,000
General Counsel	5%	5,000
Equity Participants	10%	10,000
To Be Allocated	2%	2,000
Total	100%	100,00

Investment Terms:

1. **System Cost:** Shall be \$108,589,00.00 with projected ITC of \$54,446,992 to be monetized .
2. **Valuation:** Appraised Total Assets of the Business (Going Concern) \$116,000,000 with a Real Estate Only value \$16,400,000, dated February 04, 2024.
3. **Performance Bond:** The EPC (Site Constructors, Ins and Herling Construction, Inc) shall secure a performance bond to insure completion of buildout.
4. **ITC Wrap Insurance:** BC&E Will obtain insurance for recapture risk.
5. **Schedule:** Permitting and Commissioning to commence 6 months after capital receipt for the 8 and 40 TPD and 9 months after capital funding and deposits for the system. Permit to construct, construction of new 30,000 sq. ft building, site work and required infrastructure immediately upon capital funding.
6. **Milestone Financing:** The EPC disbursement will be subject to the achievement of certain milestones or targets agreed upon by the parties, with subsequent tranches to be released to the EPC upon successful completion of each milestone.

Exemptions: Exemptions and exclusions will be agreed upon by the parties and detailed in the final agreement. These are to be items that would be considered out of scope due to unforeseen circumstances such as geotechnical data, Airport Management Board, interconnect costs, survey, or changes in local ordinances that would require a change order to be generated. Items not included in this proposal but limited to are the following:

- Security system if desired or required by the LLC. Such as perimeter fencing, motion, video surveillance, and other types of security monitoring.
- Any additional Emissions controls or suppression measures.
- Traffic controls that may be required by local authorities.
- Environmental controls that may be required by EPA or EIA for stormwater / drainage impact.
- Requirements imposed by the Airport Management Board
- Any other requirements needed to secure a valid Commercial Operating Permit

Summary Table:

Total HREC Cost	\$108,589,889
Property Valuation	\$116,000,000
Investment Tax Credits	\$54,446,922
Tax Equity - City of Colusa	\$32,000,000
Debt- Cressida Capital	\$50,000,000
Equity From Founders and EPC	\$26,589,998
TOTAL HREC COST	\$108,589,889

LOI TO PURCHASE REAL PROPERTY

This Letter of Intent made on the 1st day of November, 2023, between BC&E USA COLUSA 1, LLC (A California Limited Liability Company) 802 N Irwin Street, Suite 204, Hanford, CA 93230, called the Purchaser, and Colusa Industrial Properties (A California Corporation), 50 Sunrise Blvd., Colusa, CA 95932, called the Seller.

BC&E USA Colusa 1, LLC offers to purchase the two properties located at the Colusa Industrial Park, Colusa, Ca 95932 known as the 4.98 Acres located behind 2861 Niagara Ave, Colusa, Ca 95935 (APN 017-030-106-000) and the property known as the 2.6 Acres located directly East of the southeast property marker of 2861 Niagara Ave., Colusa Ca 95932 (APN 017-140-014-000). See Exhibit A parcel maps. The offer to purchase as described shall be in accordance with the following terms and conditions, subject to the execution of a definitive and mutually acceptable purchase and sale agreement (“Purchase Agreement”) within 30 days after the date this letter (“Letter of Intent”) is executed (such interim period, the (“Negotiation Period”).

PURCHASE PRICE: The total purchase price of the two properties is One-Million One Hundred Thirty-Seven Thousand Dollars (\$1,137,000 USD).

ESCROW: The escrow agent (“Escrow Agent”) shall be determined and one that is mutually acceptable to both parties to this transaction. The Purchase agreement shall be mutually prepared and executed by Buyer and Seller no later than 30 business days following the execution of this Letter of Intent.

SUBJECT TO: The premises are being conveyed and sold subject to any city, town or village zoning regulations and ordinances in which they lie, which are not violated by existing structures; encroachments upon any street or highway; and covenants and restriction and easements if record provides they do not prohibit or affect the present structures on the premises and their current use, or render title unmarketable.

FORMAL PURCHASE AGREEMENT: Upon acceptance by the Seller of the Letter of Intent, the Seller will prepare a Purchase Agreement incorporating the terms and conditions of this Letter of Intent, and containing the usual agreements, representations, warranties, indemnifications, terms and conditions, and other provisions commonly found in such agreements, which will be presented to the Buyer for review. The Seller and Purchaser shall act in good faith and use their best efforts to negotiate and enter into a Purchase Agreement based upon this Letter of Intent.

CLOSING DATE: The closing of title shall be on or before December 31, 2023, or such a date as the Purchase and Seller agree to.

DEED: At the title closing, a Grant Deed/Quit Claim Deed in proper statutory short forms for recording, which shall be executed and acknowledged so as to convey to Purchaser the fee simple of the premises, free and clear of all encumbrances, except as stated in this agreement and shall contain the covenant required by Section 13 of the Lien Law, shall be delivered from Seller to Purchaser.

POSSESSION: Possession of the premises shall be delivered vacant to the Purchaser on the date of the title closing, free of all leases, tenancies and occupancies.

ASSIGNMENT: The Purchaser shall not have the right to assign this agreement, this option being personal to them.

MODIFICATION: This Letter of Intent may not be amended, except in writing, and must be signed by all the parties hereto.

EFFECT of the LETTER of INTENT: Notwithstanding that this Letter of Intent contains some of the essential points regarding the transaction described herein, this is not intended to be a legally enforceable agreement and no cause of action shall arise in respect of the signing hereof.

OFFER EXPIRATION: If not executed by Seller, this Letter of Intent shall be automatically terminated as of November 30, 2023.

Each of Purchaser and Seller acknowledge and agree that this Letter of Intent shall be superseded by the Purchase Agreement. Until such time as the Purchase Agreement is executed each, Purchaser and Seller agree to proceed in accordance with terms, conditions, and provisions outlined in the Letter of Intent. If the Purchase Agreement is not fully executed within the Contract Negotiated Period, this Letter of Intent shall expire, be of no further force and effect, and neither Purchaser or Seller shall have any rights or duties hereafter. In the event this Letter of Intent is terminated and the Purchase Agreement is not fully executed, each Purchaser and Seller agree to return promptly to the applicable party all documentation provided pursuant to the Letter of Intent.

Please sign the enclosed copy of this Letter of Intent and return to us on or before November 15, 2023, as confirmation of the status of our negotiations.

PURCHASER: _____

BC&E USA COLUSA 1, LLC

October 31, 2023

Contact Information: Robert L Norman, Managing Member
802 N Irwin Street Suite 204
Hanford, CA 93230
559 816.8651
559 582.2837 Fax

Acknowledged and Agreed:

SELLER: Ed Hulbert, C.E.O.

Colusa Industrial Properties, Inc

Date: 11/2/23

Contact Information: Ed Hulbert, C.E.O.
50 Sunrise Blvd.
Colusa, Ca 95932
530 458.2118
530 458.2110 Fax

PURCHASE AND SALE CONTRACT

THIS PURCHASE AND SALE CONTRACT ("Contract") is made this 30th day of October 2023 by and between STCT Inc. A California Corporation ("Seller"), and BC&E USA Colusa 1 LLC, a California limited liability company ("Buyer").

1. **DESCRIPTION OF EQUIPMENT:** Seller agrees to sell, and Buyer agrees to purchase, the 8 ton per day pyrolytic thermal converter (the "Equipment"), as more particularly described in Exhibit A attached hereto.

2. **PURCHASE PRICE:** The purchase price for the Equipment shall be \$5,402,755 (Five Million, Four Hundred and Two Thousand, Seven Hundred Fifty Five Dollars, or "Purchase Price"), The Purchase Price shall be payable as follows: 5% of the Purchase Price shall be paid by Buyer, at Buyer's discretion, but not to exceed 180 days from execution of this Contract, to initiate the Firm Order of the Equipment upon the terms set forth in Paragraph 3 infra. The payment of the next 20% of the Purchase Price shall be paid upon such date as the Equipment is delivered to Buyer at Buyer's location. Buyer's lender shall receive security in the Equipment by the filing of valid UCC security documentation, satisfactory to Buyer's lender, in favor of Buyer's lender(s) at the time of payment of said 25% of the Purchase Price; and the final 75% of the Purchase Price shall be paid by Buyer upon successful testing and commissioning and the receipt by Buyer of a final notice to operate ("Notice to Operate"), that shall be issued by the Colusa County Air Pollution Control Board, and California Air Quality Board. Buyer and Seller agree that they may mutually agree to convert all or a portion of the Purchase Price for Equity in BC&E USA Colusa 1, LLC, at a mutually agreed upon conversion ratio.

3. **DELIVERY AND ORDER:** Delivery of the Equipment is FOB 2861 Niagara Ave, Colusa, CA. Order will be considered firm upon payment by Buyer, at Buyer's discretion of said payment of 5% of the Purchase Price, and written instructions to commence the Order signed by Buyer (together the payment of 5% of the Purchase Price and Buyer's instructions to Seller, shall constitute the "Firm Order"), and within three business days of receipt of said 5% payment, Seller shall commence obtaining the Equipment from the original equipment manufacturer. Delivery shall occur within 120 days of Firm Order. Seller shall obtain shipping and transportation insurance and retain the services of a shipping agent to insure timely and satisfactory delivery of the Equipment, and such costs (at Seller's cost and without Seller's markup) shall be reimbursed by Buyer to Seller. The risk of loss or damage to the Equipment shall pass to the Buyer upon delivery. Any

delays in delivery which are beyond the Seller's control shall not result in any penalties to the Seller. If Seller is unable to complete delivery of the Equipment within 180 days of the Firm Order, then Seller shall reimburse and repay the entire portion of Purchase Price Seller has then received from Buyer to Buyer within 30 days of the expiration of the 180-day period for delivery set forth above.

4. **INSTALLATION, SPECIFICATIONS, AND TECHNICAL SUPPORT:** Installation of the Equipment shall be the sole responsibility of the Seller or Seller's agents, contractors, or employees. Seller shall provide Buyer with detailed engineering drawings and instructions for the installation and interconnection of the Equipment. Furthermore, Seller shall provide Buyer with all "shop manuals", specification books, safety, training, and maintenance materials. Seller shall provide product support in excess of the Warranty Period for a period of five years from the date of delivery. Such product support shall include but is not limited to responding to all reasonable questions from Buyer relating to the operation and maintenance of the Equipment and shall send technical support personnel to Buyer's place of business, with Buyer reimbursing Seller for reasonable travel costs.

5. **TRAINING:** Seller shall facilitate and coordinate for training to be provided by the manufacturer of the Equipment, at Seller's cost.

6. **WARRANTY:** a. The Seller warrants that the Equipment will be free from material defects in material and workmanship for a period of 2 (two) years from the date of issuance of the Notice to Operate ("Warranty Period"). b. If, during the Warranty Period, the Equipment proves to be defective, as determined mutually by the Buyer and Seller, the Seller shall, in its option, either repair or replace the defective Equipment at no charge to the Buyer. c. This warranty does not cover damage or malfunctions caused by misuse, neglect, accidents, alteration, or unauthorized repairs. d. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

7. **ADDITIONAL PROVISIONS:** a. **Entire Agreement:** This Contract contains the entire agreement between the parties and supersedes all previous agreements and understandings between the parties. b. **Governing Law:** This Contract shall be governed by and construed in accordance with the laws of the State of


California. c. **Dispute Resolution:** Any disputes arising out of this Contract shall be settled by arbitration in California in accordance with the rules of the American Arbitration Association. d. **Assignment:** Neither party may assign this Contract without the prior written consent of the other party. e. **Amendments:** This Contract may only be amended in writing and signed by both parties. f. **Waiver:** Any waiver of a breach of this Contract must be in writing and signed by the party granting the waiver.

- 8. **NOTICES:** Any notices required or permitted to be given under this Contract shall be in writing and delivered by hand, sent by certified mail, or email to the parties at their respective addresses set forth below, or to such other address as either party may designate by notice to the other.

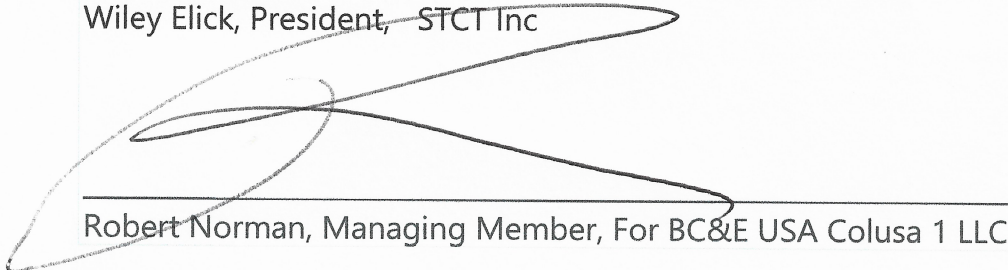
Wiley Elick, President, STCT Inc
7380 18th Ave
Lemoore, CA 93245

Robert L Norman, Managing Member BC&E USA, Colusa 1 LLC
802 North Irwin St, Suite 204
Hanford, CA 93230

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



Wiley Elick, President, STCT Inc



Robert Norman, Managing Member, For BC&E USA Colusa 1 LLC

PURCHASE AND SALE CONTRACT

THIS PURCHASE AND SALE CONTRACT ("Contract") is made this 30th day of October, 2023 by and between J6 Holdings, LLC, a California limited liability company ("Seller"), and BC&E USA COLUSA 1 LLC, a California limited liability company ("Buyer").

1. **DESCRIPTION OF EQUIPMENT:** Seller agrees to sell, and Buyer agrees to purchase, the 40 ton per day APS pyrolytic thermal converter System (the "Equipment"), as more particularly described in Exhibit A attached hereto.
2. **PURCHASE PRICE:** The purchase price for the Equipment shall be \$15,062,226 (Fifteen Million Sixty-Two Thousand Two Hundred Twenty-Six Dollars, or "Purchase Price"), The Purchase Price shall be payable as follows: 40% of the Purchase Price shall be paid by Buyer, at Buyer's discretion, but not to exceed 180 days from execution of this Contract, to initiate the Firm Order of the Equipment upon the terms set forth in Paragraph 3 infra. The payment of the next 20% of the Purchase Price shall be paid upon such date as the Equipment is delivered to Buyer at Buyer's location. Buyer's lender shall receive security in the Equipment by the filing of valid UCC security documentation, satisfactory to Buyer's lender, in favor of Buyer's lender(s) at the time of payment of said next 25% of the Purchase Price; and the final 15% of the Purchase Price shall be paid by Buyer upon successful testing and commissioning and the receipt by Buyer of a final notice to operate ("Notice to Operate"), that shall be issued by the Colusa County Air Pollution Control Board, 100 Sunrise Blvd. #F, Colusa, CA 95932-3246, operating under standards set forth by the California Air Quality Board. Buyer and Seller agree that they may mutually agree to convert all or a portion of the Purchase Price for Equity in BC&E LLC, at a mutually agreed upon conversion ratio.
3. **DELIVERY AND ORDER:** Delivery of the Equipment is FOB 800 Polk, Coachella, CA. Order will be considered firm upon payment by Buyer, at Buyer's discretion of said payment of 40% of the Purchase Price, and written instructions to commence the Order signed by Buyer (together the payment of 40% of the Purchase Price and Buyer's instructions to Seller, shall constitute the "Firm Order"), and within three business days of receipt of said 40% payment, Seller shall commence obtaining the Equipment from the original equipment manufacturer. Delivery shall occur within 120 days of Firm Order. Seller shall obtain shipping and transportation insurance and retain the services of a shipping agent to insure timely and satisfactory delivery of the Equipment, and such costs (at Seller's cost and without Seller's markup) shall be reimbursed by Buyer to Seller. The risk of loss or damage to the Equipment shall pass to the Buyer upon delivery. Any delays in delivery which are beyond the Seller's control shall not result in any

penalties to the Seller. If Seller is unable to complete delivery of the Equipment within 180 days of the Firm Order, then Seller shall reimburse and repay the entire portion of Purchase Price Seller has then received from Buyer to Buyer within 30 days of the expiration of the 180 day period for delivery set forth above.

4. **INSTALLATION, SPECIFICATIONS, AND TRCHNICAL SUPPORT:** Installation of the Equipment shall be the sole responsibility of the Seller or Seller's agents, contractors or employees. Seller shall provide Buyer with detailed engineering drawings and instructions for the installation and interconnection of the Equipment. Furthermore, Seller shall provide Buyer with all "shop manuals", specification books, safety, training and maintenance materials. Seller shall provide product support in excess of the Warranty Period for a period of five years from the date of delivery. Such product support shall include but is not limited to responding to all reasonable questions from Buyer relating to the operation and maintenance of the Equipment and shall send technical support personnel to Buyer's place of business, with Buyer reimbursing Seller for reasonable travel costs.
5. **TRAINING:** Seller shall facilitate and coordinate for training to be provided by the manufacturer of the Equipment, at Seller's cost.
6. **WARRANTY:** a. The Seller warrants that the Equipment will be free from material defects in material and workmanship for a period of 2 (two) years from the date of issuance of the Notice to Operate ("Warranty Period"). b. If, during the Warranty Period, the Equipment proves to be defective, as determined mutually by the Buyer and Seller, the Seller shall, at its option, either repair or replace the defective Equipment at no charge to the Buyer. c. This warranty does not cover damage or malfunctions caused by misuse, neglect, accidents, alteration, or unauthorized repairs. d. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
7. **ADDITIONAL PROVISIONS:** a. **Entire Agreement:** This Contract contains the entire agreement between the parties and supersedes all previous agreements and understandings between the parties. b. **Governing Law:** This Contract shall be governed by and construed in accordance with the laws of the State of California. c. **Dispute Resolution:** Any disputes arising out of this Contract shall be settled by arbitration in California in accordance with the rules of the American Arbitration Association. d. **Assignment:** Neither party may assign this Contract without the prior written consent of the other party. e. **Amendments:** This Contract may only be amended in writing and signed by both parties. f.

Waiver: Any waiver of a breach of this Contract must be in writing and signed by the party granting the waiver.

8. **NOTICES:** Any notices required or permitted to be given under this Contract shall be in writing and delivered by hand, sent by certified mail, or email to the parties at their respective addresses set forth below, or to such other address as either party may designate by notice to the other.

Robert Norman Managing Member, BC&E USA COLUSA 1 LLC

802 North Irwin St, Suite 204

Hanford, CA 93230

Wayne Herling, as Managing Member of J6 Holding, LLC.

3391 Mendenaro, CT

Fallbrook, CA 92028

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



Wayne Herling as the Managing Member of J6 Holding LLC.



Robert Norman, Managing Member, For BC&E USA COLUSA 1 LLC

PURCHASE AND SALE CONTRACT

THIS PURCHASE AND SALE CONTRACT ("Contract") is made this 24th day of October 2023, by and between Renewable Gas and Electric, LLC, a Delaware limited liability company ("Seller"), and BC&E Colusa 1 USA LLC, a California limited liability company ("Buyer").

1. DESCRIPTION OF EQUIPMENT AND PURCHASE PRICE: Seller agrees to sell, and Buyer agrees to purchase, the Holz-Kraft Equipment Package hybrid renewable conversion system (the "Equipment"), as more particularly described in Exhibit A attached hereto.

The purchase price for the Equipment shall be \$14,739,354.04 (Fourteen Million Seven Hundred Thirty-Nine Thousand Three Hundred Fifty-Four Dollars, or "Purchase Price"), based upon the Dollar/ Euro exchange rate of \$1.06514138 Dollars per Euro, and may change according to the applicable rate on the date of the Firm Order. Additional spare parts not included in above pricing can be purchased by Buyer after commissioning and checking availability of the spare parts on site. The pricing of these spare parts can be found in Exhibit A. Buyer shall assume all subsequent currency rate risk, including all adjustments to the Purchase Price due to Dollar/Euro exchange rate differences at the date of payment of each portion of the Purchase Price. Buyer, at its option and expense, may elect to purchase an exchange rate "swap" "futures contract" or other form of exchange rate insurance to fix the Purchase Price in US Dollars. The Purchase Price shall be payable as follows: 40% of the Purchase Price shall be paid by Buyer to initiate the Firm Order (as designated in Section 2 below) of the Equipment following signing of Contract. The payment of the next 50% of the Purchase Price shall be paid as set forth on the attached Exhibit B. The final 10% of the Purchase Price shall be paid by Buyer upon successful testing and commissioning.

2. DELIVERY AND ORDER: Delivery of the Equipment shall be made to 2861 Niagara Avenue, Colusa CA, 95932. Order will be considered firm upon payment by Buyer, of said payment of 40% of the Purchase Price to Seller and shall constitute the ("Firm Order"), and within three business days of receipt of said 40% payment, Seller shall commence obtaining the Equipment from the original equipment manufacturer of the Holz Kraft Equipment. Estimated Delivery shall occur as set forth in Exhibit B. Seller may obtain shipping and transportation insurance and retain the services of a shipping agent, and such costs (at Seller's cost and without Seller's markup) shall be reimbursed by Buyer to Seller. The risk of loss or damage to the Equipment shall pass to the Buyer upon delivery. Any delays in delivery which are beyond the Seller's control shall not result in any penalties to the Seller.
3. INSTALLATION, SPECIFICATIONS, AND TECHNICAL SUPPORT: Installation of the Equipment shall be the sole responsibility of the Buyer or Buyer's agents, contractors, or employees. Seller shall provide Buyer with detailed engineering drawings and instructions for the installation and interconnection of the Equipment. Furthermore, Seller shall provide Buyer with all "shop manuals," specification books, safety, training, and maintenance

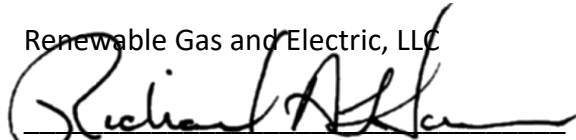
materials. Seller shall provide product support more than the Warranty Period for an additional period of one year at the Buyers expense, at the estimated cost set forth in Exhibit AB from the date of delivery. Such product support shall include but is not limited to responding to all reasonable questions from Buyer relating to the operation and maintenance of the Equipment and shall send technical support personnel to Buyer's place of business, with Buyer reimbursing Seller for reasonable travel costs.

4. TRAINING: Seller shall facilitate and coordinate for training to be provided by the manufacturer of the Equipment, at Buyer's cost.
5. WARRANTY: a. The Seller warrants that the Equipment will be free from material defects in material and workmanship for a period of 1 (one) year from the date of issuance of the Notice to Operate, or 2 (two) years if extension of 1(one) year is purchase by Buyer as referred to in Section 3 above, after delivery, installation testing and commissioning (the "Warranty Period"). b. If, during the Warranty Period, the Equipment proves to be defective, as reasonably determined mutually by the Buyer and Seller, the Seller shall, at its option, either repair or replace the defective Equipment at no charge to the Buyer. c. This warranty does not cover damage or malfunctions caused by misuse, neglect, accidents, alteration, or unauthorized repairs. d. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
6. ADDITIONAL PROVISIONS: a. Entire Agreement: This Contract contains the entire agreement between the parties and supersedes all previous agreements and understandings between the parties. b. Governing Law: This Contract shall be governed by and construed in accordance with the laws of the State of California. c. Dispute Resolution: Any disputes arising out of this Contract shall be settled by arbitration in California in accordance with the rules of the American Arbitration Association. d. Assignment: Neither party may assign this Contract without the prior written consent of the other party. e. Amendments: This Contract may only be amended in writing and signed by both parties. f. Waiver: Any waiver of a breach of this Contract must be in writing and signed by the party granting the waiver.
7. NOTICES: Any notices required or permitted to be given under this Contract shall be in writing and delivered by hand, sent by certified mail, or email to the parties at their respective addresses set forth below, or to such other address as either party may designate by notice to the other.

If to: BC&E Colusa 1 USA LLC
802 North Irwin Street Suite 204 Hanford CA 93230
Attn: Robert Norman

If to: Renewable Gas and Electric, LLC
Attn: Richard Horn
PO Box 6254
Chico, CA 95927
rhorn@renewablegasandelectric.com

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

Renewable Gas and Electric, LLC

Richard Horn

10/25/2023
Date

BC&E Colusa 1 LLC

Robert Norman, Managing Member

Date

Exhibit A – Spare Parts List

Exhibit B – Estimate Delivery Schedule

EXHIBIT A**SPARES IN ADDITION TO AMOUNT LISTED IN CONTRACT IF PURCHASED FROM HOLT-KRAFT****Spare parts per Gasifier and year**

	Quantity	Price	Total
ZSB Air jet concrete reformer	5	143,32	701,58
SBG Grate disc V1.1.2 290/6/8/54	2	310,14	620,28
SBG Grate disc center support 240/3/3/21	1	169,00	169,00
ZSB reformer nozzle V1.1.1	1	119,69	119,69
Silicone gasket for cover	1	49,04	49,04
Filter bag for jet cleaning	7	162,00	1.134,00
			2.792,59 €

Spare parts CHP

Oil filter WD 13145 for HOMAN H 130 LE	20	52,20	1.044,00
Air filter insert AF 26124 o. B. for AH 19480 and 19481 o	10	77,76	777,60
Turbocharger HIGH 11 VTG in wood gas operation HOMAN V12 If an additional deposit value (via an extra position) should be will be credited after return and inspection of the and inspection of the old part!	2	2.566,80	5.133,60
Attachment kit for turbocharger HIGH 11 VTG in wood gas operation MAN V12	2	38,40	76,80
Pre-chamber spark plug MAN 08.. / 28.. / Tedom / H130 (M14x1,25)	24	264,60	6.350,40
Rubber element ACT 7 AT WX	1	1.556,40	1.556,40
Danfoss AME 445 actuator 24V AC/DC analog signal 0...10V /4-20 mA, positioning time 3s/mm, positioning force 600N, without Emergency control function for Power VIZOR" control".	1	440,16	400,16
Ignition control unit NGI-1000 for MAN 2842 / 3262 12-cylinder, RC 57 kBaud, for AVAT control	1	1.611,60	1.611,60
Ignition coil Altronic	6	80,76	484,56
Ignition initiator Altronic, M12 x 1.0, with cable and plug	1	266,88	266,88
Cylinder liner for HOMAN H130 LE Ø130mm, with O-Ring set	6	177,60	1.065,60
Starter MAN 2866 / 2876 / 2842 / H 130, 24V, 6,6 kW	4	423,00	1.692,00
Piston Ø 130mm for HOMAN H 130 LE with -bolts and -rings	6	414,00	2.484,00
Cylinder head gasket set MAN 28	6	37,68	266,08
Cylinder head screw set MAN 28.., Torx, consisting of 6 pieces	6	28,08	168,48
Cylinder head MAN 28.. / MTU gas / biogas overhauled in Exchange, without bore Single temp, warranty: 6 months In the case of a deposit calculation, a credit note will be issued after return and inspection according to deposit value rules!	6	1.299,60	7.797,60
O-ring 36,5x3,5mm for oil separator MAN 28... long or short	4	3,00	12,00

Rubber compensator DN 80 / 3" BL=130mm, with flange connection PN 10/16 CR rubber	2	176,40	352,80
Oil pan gasket MAN E 2842 LE 312 / 322, V12	1	51,48	51,48
Connecting rod MAN 2842 / 2848 (original)	6	808,44	4.850,64
Connecting rod bearing STD for MAN 2842/48	6	34,80	208,80
O-ring 124x4 throttle valve MAN 28.., Viton	2	18,84	37,68
Throttle valve series 140, ID 80mm sealed incl. 2x Gasket	1	486,36	486,36
Graphite/spike plate gasket DN 350 DIN 2576 367x438mm	4	28,20	112,80
Gasket intake manifold for H130	2	234,00	468,00
O-ring 124x4 throttle valve MAN 28.., Viton	1	18,84	18,84
O-ring between LLK and intake manifold TCG 2015, Throttle valve H 130 LE d=97X5	1	50,88	50,88
Stainless steel corrugated flex pipe DN 20 3/4" 3bar, L= 200 to 410 mm f. LLK MAN 0836 LE	1	17,28	17,28
PTFE corrugated hose 12L x 280 DN 10, 2x union nut 1x 90° f. Homan H 130 LE Turbo- Oil supply line	1	41,76	41,76
PTFE corrugated hose 10L x 480 DN 8, f. Homan H 130 LE	1	41,64	41,64
Flexible EPDM armored hose E 10 - 3/4" x 500 long flat sealing for LLK-MAN, for cooling and heating water suitable!	1	14,40	14,40
Flexible EPDM armored hose E 10 - 3/4" x 300 long, flat sealing for LLK-MAN, suitable for water!	1	127,44	14,28
Lambda sensor LSU 4.9 with cable and 1 connector, PowerVIZOR" control"	2	127,44	254,88
Exhaust gas temperature sensor PT200 PowerVIZOR" control", Angle design 90mm, with MLK connector	2	181,80	363,60
Boost pressure sensor 0-6 bar absolute, for Power VIZOR " Control"	1	199,80	199,80
Gas pressure sensor, -0.2 - 0.2 bar, 4-20 mA, G = 1/2", for Wood carburetor, PowerVizor	1	458,88	458,88
PTFE corrugated hose 12L x 280 DN 10, 2x union nut 1x 90° f. Homan H 130 LE Turbo- Oil supply line	1	41,76	41,76
Teflon corrugated hose 28L DN25, L=290mm with 2x union-nut	1	86,40	86,40
Teflon corrugated hose 28L DN25, L=450mm with 2x union-nut	1	87,48	87,48

39.448,20 €

Exhibit B

20.10.2023

Planned shipments to RG&E 10 HKA 300

contract sum: 13.837.932 €

week of	event	container shipment				number of containers	invoices VAB	
		gasifier	CHP	dryer	others			
week 1	signature of contract						5.535.173 €	
week 2	transfer of 40% of the total contractual sum							
week 3	purchasing of components							
week 4	purchasing of components							
week 5	purchasing of components							
week 6	purchasing of components							
week 7	purchasing of components							
week 8	purchasing of components							
week 9	purchasing of components							
week 10	purchasing of components							
week 11	purchasing of components							
week 12	purchasing of components							
week 13	Start of production							
week 14	Start of production							
week 15	Start of production							
week 16	Start of production							
week 17						0		
week 18						0	247.106 €	
week 19		4	1			3		
week 20						0	247.106 €	247.106 €
week 21		4	1			3		
week 22						0	247.106 €	247.106 €
week 23		4	1			3		
week 24						0	247.106 €	247.106 €
week 25		4	1			3		
week 26						0	247.106 €	247.106 €
week 27		4	1	1		4		
week 28						0	247.106 €	247.106 €

week 29		4	1	1		4		
week 30						0	247.106 €	247.106 €
week 31		4	1	1		4		
week 32						0	247.106 €	247.106 €
week 33		4	1	1		4		
week 34						0	247.106 €	247.106 €
week 35		4	1	1		4		
week 36						0	247.106 €	247.106 €
week 37		4	1	1		4		
week 38						0	247.106 €	247.106 €
week 39				1		1		
week 40						0	247.106 €	247.106 €
week 41				1		1		
week 42						0	247.106 €	247.106 €
week 43				1		1		
week 44						0	494.212 €	247.106 €
week 45				1		1		
week 46								
week 47								
week 48								
week 49								
week 50								

Total: 40 10 10 40 12.454.139 €
 After Commissioning: 1.383.793 €

13.837.932 €

**ENGINEERING, PROCUREMENT AND CONSTRUCTION AGREEMENT BY AND
BETWEEN BC&E USA COLUSA 1, LLC, OWNER AND
HERLING CONSTRUCTION, INC. GENERAL CONTRACTOR**

THIS ENGINEERING, PROCUREMENT AND CONSTRUCTION AGREEMENT (“Agreement”), effective as of the date of the last party to sign below, is entered into by and between **BC&E USA COLUSA 1, LLC**, a California limited liability company (Owner) and **HERLING CONSTRUCTION, INC.** (Contractor), a California corporation.

For valuable consideration the parties hereby agree as follows:

1. SCOPE OF WORK: Contractor shall be responsible for the parameters of work hereinafter described:

A) **PLANS AND SPECIFICATIONS:** Contractor has attached to this Agreement, a detailed description of the scope of work providing detailed itemization of the project to be completed (Exhibit A), and a Schedule of Values to complete said work (Exhibit B). Contractor will also provide an Estimated Construction Schedule (Exhibit C) of which includes anticipated dates of issued drawings and related documents, which shall compose the plans and specification, along with Expected construction activities. Owner shall have the right to review and approve the plans, specifications, included drawings, and documents. Owner’s approval shall not be unreasonably withheld or delayed. Owner shall notify Contractor of any defects or deficiencies within 10 days of submittal of drawings or documents included in the plans and specifications. Owner’s failure to respond within 10 days of submittal of the same shall be deemed to be an approval by Owner. Should Owner identify any defect or deficiency in the plans, specification, drawings, or documents provided, Contractor shall respond to Owners comments within 7 days of its submittal to Contractor. Contractor shall reasonably endeavor to implement and accommodate with any such specified items and shall work with Owner. Both parties operating in good faith to resolve the itemized issues of contention. Regarding plans and specifications including drawings and related documents, the following provisions shall apply.

i) Any changes shall be reflected by written change order signed by the parties.

ii) Owner’s lender shall have the right and be afforded timely opportunity to review and approve any individual change estimated to cost \$250,000.00 or more. Owner’s lender may review the plans and specifications and any such change orders by an independent engineer retained by the lender. If the lender or lender’s independent engineer fails to respond within five business days after receipt of a request of a change or changes by the lender’s engineer, such change or change order shall be deemed to have been approved by lender and Owner.

B) **IMPROVEMENTS:** Contractor shall perform construction of improvements to the site required by the plans and specifications and scope of work, including the demolition of any existing improvements or structures. Contractor shall conduct clearing, excavating, filling, or compacting of the site and the removal or importation of related materials (except for the handling, remediation, or removal of any preexisting hazardous substance). Hazardous substances will include those introduced to the site by a source independent of contractor at any time or archeological discoveries. Such matters and removal shall be the duty of owner.

C) **EQUIPMENT:** Procure, supply, transport equipment, including owner's supplied equipment and unload and store equipment until ready for installation.

D) **CONSTRUCTION MANAGEMENT:** Provide construction management to complete the project in accordance with the terms and conditions of this agreement.

E) **SITE CONDITION:** Contractor shall accept responsibility for maintaining an environmentally clean site and avoiding spilled and contamination of the site.

F) **PERFORMANCE TESTING:** Contractor shall conduct performance testing as hereinafter set forth in this agreement.

G) **TRAINING ASSISTANCE:** Contractor shall assist in training procedures as hereinafter set forth in this agreement.

H) **CITY OF COLUSA BOARD MEETINGS:** Owner is coordinating with the City of Colusa in providing the improvements to be constructed by Contractor. Contractor shall assist owner in planning and submitting appropriate documents and participating in City of Colusa Council Board (CCB) meetings related to the project as maybe required by the CCB Certificate.

I) **TESTING:** Contractor shall conduct performance testing as set forth in Operating Instructions set forth in Exhibit D.

J) **OWNER SUPPLIED EQUIPMENT & SPARE PARTS:** Contractor, working in conjunction with the owner shall provide a price list of recommended operating spare parts that may have more tendency for ware than others.

K) **SPECIAL TOOLS AND OPERATING SPARE PARTS:** Contractor shall provide a list of special tools and recommended operating spare parts required for the testing and operation of the Facility prior to commissioning.

L) **FAILURE DURING START-UP:** Should any Owner Supplied equipment fail prior to commercial operation; spare parts may be withdrawn from Owner's stock of operations and maintenance stores and the equipment that failed returned to operating condition.

2. **CONTRACTOR'S PERSONNEL AND LABOR RELATIONS:** Contractor shall hire sufficient and suitable qualified and experienced personnel to perform and manage the work of improvement and to direct the operating and maintenance personnel in the commissioning and testing of the facility. Contractor's personnel shall be capable of performing Contractor's obligations under this agreement in a professional and workmanlike manner.
3. **GOVERNMENTAL AUTHORIZATION:** Contractor shall assist the Owner with obtaining the governmental authorizations required, including local construction required authorizations, to perform the tasks necessary in completing the work of improvement. Control of the work; the Contractor shall be solely responsible for construction means, methods, techniques, sequences, procedures, safety, and security programs in connection with the work of improvement. Required building/construction permits shall be obtained by Contractor, the cost thereof shall be included as part of the project price.

4. **TITLE TO PROJECT PROPERTY:** Owner warrants to Contractor that Contractor is not responsible to determine the project site location, property lines, third party easement rights, or other survey or title issues related to the worksite being provided by Owner. Warranty of title is that the property is owned by Owner. All portions of the subject property and rights related thereto are owned by Owner.
5. **OWNER REQUESTED CHANGE ORDERS TO PLANS AND SPECIFICATIONS:** Owner may make reasonable changes to the scope of the work including changes to the plans and specifications and related drawings and documents from time to time during the construction of the project in accordance with this agreement. Any such change or modification shall only be made by written change order "signed by both parties". Such change order shall become a part of this contract. Owner agrees to pay any increase in the cost of the project because of this change order.
- A) DEFINITION OF CHANGE: A *change* shall mean a change in scope of work, specifications, performance guarantees, contract price, guaranteed completion date, or project schedule, as applicable or any other import to the work or schedule. A change may result from Owner directed changes, Owner requested changes and other impacts to the work.
6. **GENERAL CONTRACTOR CHANGE ORDERS TO PLANS AND SPECIFICATIONS:**
- 1) GENERAL CONTRACTOR CHANGES: It is anticipated that the general contractor may and in certain circumstances must, by written notice, request a change. Upon receipt of Contractor's request and any supporting documentation reasonably requested by Owner, then within 5 business days, Owner will notify Contractor of its acceptance or rejection of such request. Upon Owner's approval of such request and agreement on the terms of an associated change order, Contractor may proceed with the implementation of such change. If Owner elects not to proceed with any change requested by Contractor resulting from a change in law, the discovery of Hazardous Substances or any article of value or antiquity or of archaeological or geotechnical interest, or any unforeseen or varying site or other conditions or event of Force Majeure, Owner shall provide written notification to Contractor to stop work; otherwise Contractor shall be entitled to continue with the work as changed and pending agreement on the changes to price, schedule and other effected provisions herein, Contractor shall be compensated on a negotiated basis. If such change, discovery, condition, event, or amendment increases Contractor's cost or liabilities or materially impacts Contractor's ability to continue its performance hereunder, Contractor shall continue to work in other areas while formally raising its concerns on this specific issue. Contractor shall have no liability for the consequences of such election not to proceed with such change if such option is exercised in good faith.
7. **ADJUSTMENT TO AGREEMENT:** Should a change order cause an increase or decrease in Contractor's cost of or time required for performance of this agreement or otherwise affect any material provision of this agreement or materially impact the work as provided in the agreement or increase Contractor's cost or time required for performance of this agreement or otherwise adversely affect any provision of the agreement, Contractor shall be entitled to an adjustment to the contract price, project schedule, performance guarantees, guaranteed completion date or any other provision of this agreement which are materially affected by such change. In the event the parties are unable to agree as to the specific changes referenced herein, then the matter shall be resolved by the dispute resolution provision of this contract.

8. **FORCE MAJEURE CAUSED BY CHANGE IN LAW OR OWNER DELAY OR OTHER EVENTS:** Contractor shall give timely notice of any event or circumstance that Contractor believes is or might become Force Majeure, Owner delay, governmental delay, or third-party delay, barring unforeseen site condition or change in law. The notice shall include the information required with respect to associated change reasonably required with respect to the associated change that is required to be provided by Contractor as a result. If it is impracticable to specify the adjustments the Contractor will claim, the Contractor will provide Owner with periodic supplemental notices during the time the event or circumstances continues.
9. **MITIGATION OF EVENT:** Contractor shall use reasonable efforts to remove or mitigate the effects of any Force Majeure referenced herein.
7. **SITE SECURITY:** Contractor shall warehouse or otherwise provide the appropriate storage for equipment at or in the vicinity of the site. Contractor shall be responsible for the proper fencing, guarding lighting and security of the work and equipment on the site.
8. **CONTRACT PRICE AND SCHEDULE OF VALUE:** Exhibit B hereto contains a total cost for the improvements set forth in the scope and schedule of work contained in Exhibit A. On a monthly basis, Contractor will submit to Owner an application for payment for that portion of work completed. Owner shall retain the right to pay Contractor's subcontractors directly for completed and approved work should contractor fail to pay Contractor's subcontractor within the terms of such subcontract. Any payments made to Contractor's Subcontractor by owner on behalf of the Contractor will be deducted from the total price set forth in Exhibit B
9. **DUTIES AND AUTHORITY OF OWNER REPRESENTATIVE:** Owner plans to designate a representative (the Owner's Representative), who is mutually acceptable to Owner and Contractor, which acceptance shall not be withheld unreasonably, and who shall be authorized to act on behalf of Owner, with whom Contractor may consult at all reasonable times and whose instructions, approvals, requests and decisions shall be binding upon Owner as to all matters pertaining to this agreement and the performance of Owner hereunder. Owner may change the Owner's Representative at any time by written notice to Contractor. Decisions and approvals by the Owner's Representative will comply with the terms of this agreement and laws and will not be unreasonably withheld or delayed. Contractor is aware that Owner has engaged a separate third-party contractor to construct other improvements on Owner's behalf in close proximity to the vicinity of the work contemplated by this Agreement, and Contractor shall coordinate its work and employees with the work being performed by Owner's other third-party contractor. Contractor shall use its best efforts to cooperate and coordinate with the other third-party contractor to maximize the efficiency of all work being performed by owner,
10. **COMMENCEMENT OF WORK:** Owner shall inform Contractor in writing 30 days prior to the date, for Contractor to commence work.
11. **PROJECT CONSTRUCTION SCHEDULE:** See Exhibit C
12. **RESPONSIBILITIES OF OWNER:**
 - A. **COORDINATION WITH UTILITY:** Owner with the assistance of Contractor will be always responsible for coordinating and communicating with the utility with respect with all matters including the submission of notices and other documents in the handling and processing of comments given by the utility.

B. **QUALIFIED PERSONNEL FOR TRAINER:** Owner will at its expense and in sufficient time, provide or cause to be provided suitable qualified and where necessary licensed operators in the number requested by Contractor for training by Contractor. Contractor will supply or cause to be supplied such small tools, classrooms, office equipment and other similar equipment necessary to facilitate on the job training of the operations personnel as needed and in adequate time. Operators subsequent to their training, Owner will provide at its expense, such Operators to Contractor for the purpose of shadowing or assisting Contractor during commissioning and start of activities and continuing through commissioning.

C. **OWNER SUPPLIED EQUIPMENT:** Owner shall ensure that any required Owner's supplied equipment will be delivered to this site in a timely fashion. Owner's supplied equipment date of delivery is set forth on Exhibit C. Failure of Owner to deliver such equipment, shall relieve Contractor of completion delay penalties caused by any delivery delay. Any Owner supplied equipment delivered to this site incomplete or otherwise not in accordance with agreement, Contractor shall have the option to have the supplier complete the assembly before turning it over to Contractor or to assign such work to the Contractor via change order. Any such change order will both estimate the cost and schedule impacts associated with the work.

D. **ACCESS TO SITE AND RIGHTS OF WAY:** Owner shall provide at Owner's expense in a timely fashion, unrestricted access to the site for commencement of commercial operation. This shall include all easements or other rights of way required for access to the site and performance of the work to be provided.

13. **RESPONSIBILITIES OF CONTRACTOR:**

Contractor's duties and rights in connection with the above-described project are as follows:

A. **Responsibility for and Supervision of Construction.**

Contractor shall be solely responsible for all construction under this contract, including the techniques, sequences, procedures, and means, and for coordination of all work. Contractor shall supervise and direct the work to the best of his/her ability and give it all attention necessary for such proper supervision and direction.

B. **Discipline and Employment.**

Contractor shall maintain at all times strict discipline among his/her employees, and Contractor agrees not to employ for work on the project any person unfit or without sufficient skill to perform the job for which he or she was employed.

C. **Furnishing of Labor, Materials, etc.**

Contractor shall provide and pay for all labor, materials, and equipment, including tools, construction equipment, and machinery, utilities, including water, transportation, and all other facilities and services necessary for the proper completion of work on the project in accordance with the contract documents.

D. **Payment of Taxes and Procurement of Licenses and Permits.**

Contractor shall pay all taxes required by law in connection with work on the project in accordance with this agreement including sales, use, and similar taxes. Contractor shall secure all licenses and permits necessary for proper completion of the work, outside what has already been obtained by Owner, paying the fees for such licenses and permits.

E. Compliance with Construction Laws and Regulations.

Contractor shall comply with all laws and ordinances, and the rules, regulations, or orders of all public authorities relating to the performance of the work under and pursuant to this agreement. If any of the contract documents are at variance with any such laws, ordinances, rules, regulations, or orders, he or she shall notify Owner promptly on discovery of such variance.

F. Responsibility for Negligence of Employees and Subcontractors.

Contractor assumes full responsibility for acts, negligence, or omissions of all his/her employees on the project, for those of his subcontractors and their employees, and for those of all other persons doing work under a contract with him.

G. Warranty of Fitness of Equipment and Materials.

Contractor represents and warrants to Owner that all equipment and materials used in the work and made a part of the structures on such work, or placed permanently in connection with such work, will be new unless otherwise specified in the contract documents, of good quality, free of defects, and in conformity with the contract documents. It is agreed between the parties to this agreement that all equipment and materials not so in conformity will be considered defective.

14. **RIGHT TO CURE:** Contractor shall have the right to cure a defect before Owner may file any action in court against Contractor.
15. **DESTRUCTION AND DAMAGE:** If the Project is destroyed or damaged for any reason, except where such destruction or damage was caused by the sole negligence of the Contractor or its subcontractors, Owner shall pay Contractor for any additional work done by Contractor in rebuilding or restoring the Project to its condition prior to such destruction or damage. If the estimated cost of replacing work already accomplished by Contractor exceeds 20 percent of the Contract price, either the Contractor or Owner may terminate this Contract. Upon termination by either party, Contractor shall be excused from further performance under this Contract and Owner shall pay Contractor a percentage of the Contract price in proportion to the amount of work accomplished prior to the destruction or damage.
16. **WARRANTY OF TITLE:** Contractor warrants good title to the work and equipment and warrants and guarantees that title when it passes shall vest in Owner and will be free and clear of any liens, claims, charges, security interests, encumbrances or the rights of other persons or entities.
17. **TITLE TO WORK:** Title to work will pass to Owner upon payment to Contractor, Subcontractors and Suppliers as and for the work and equipment.
18. **TITLE TO PLANS AND SPECIFICATIONS:** Title to plans and specifications, drawings and like material required to be provided to Owner shall pass to the Owner upon payment of fees due.
20. **GENERAL CONTRACTOR INSURANCE:** Contractor shall provide general contractor's liability insurance in an amount and form as required by Owner's lender and the City of Colusa and as further set forth in Paragraph 35 herein.
21. **DOCUMENTATION:** Contractor shall determine the nature and scope of documentation required to complete the work. Such documentation may include, but is not limited to, architectural drawings, engineering drawings and specifications to comply with governmental permits and other documents necessary to complete the scope of work. Contractor shall obtain such documents and the costs thereto shall be reflected on Exhibit B.

22. **COMPLETION:** If required by Owner's lender, Contractor shall provide a performance bond for the Contractor's scope of the work in a form stipulated by the lender. Completion shall occur 12 months after the signing of the Agreement.
23. **WARRANTY:** Contractor warrants all the work set forth in this Agreement herein to be of sufficient quality and that all work was completed in a professional manner, adhering to industry standards and best practices. Only quality materials, consistent with contractual specifications, were used, and the work is free from defects in workmanship and materials. Such a warranty shall extend for a period of two years from the completion of the scope of work set forth herein.
24. **SCHEDULE AND PERFORMANCE GUARANTEES:** Contractor warrants that it will adhere to the Project Schedule as set forth on the Attached Exhibit A, and any other scheduling responsibility and performance terms contained in this Agreement, and Contractor will be solely liable for any costs or penalties that result from any such delays, that are not otherwise excused in this Agreement, including, but not limited to any costs pertaining to the performance bond referenced in Section 22 herein.
25. **LIMITATION OF LIABILITY:** Notwithstanding any other provision of this agreement to the contrary, express or implied, the maximum aggregate liability of Contractor pursuant to this agreement, whether based on delay, contract, tort, negligence, strict liability, warranty, indemnity, error and omission or any other cause or legal theory whatsoever, shall be the aggregate limit, which limit includes but is not limited to liquidated damages, warranty indemnity and all other obligations including any breach resulting in termination. Such liability shall not exceed a maximum liability for liquidated damages of 25% of the contract price. Contractor's liability herein shall cease upon the completion of the warranty period, except for warranty remedies and associated extension of warranty time.
26. **RELEASES VALID:** Releases, disclaimers and limitations on liability expressed herein shall apply even in the event of the negligence, strict liability, fault, or breach of contract (including other legal bases of responsibility such as fundamental breach) of the party whose liability is released, disclaimed or limited.
27. **LIQUIDATED DAMAGES NOT PENALTY:** The parties acknowledge and agree that because of the unique nature of the facility and the unavailability of a substitute facility, it is difficult or impossible to determine with precision the amount of damages that would or might be incurred by the Owner as a result of Contractor's failure to achieve the performance guarantees or the guaranteed completion date. It is understood and agreed by the parties that (i) Owner shall be damaged by failure of Contractor to meet such obligations, (ii) it would be impracticable or extremely difficult to fix the actual damages resulting there from, (iii) any sums which would be payable under agreement are in the nature of liquidated damages and not a penalty and are fair and reasonable and (iv) such payment represents a reasonable estimate of fair compensation for the losses that may reasonably be anticipated from such failure and shall without duplication, be the sole and exclusive measure of damages and exclusive remedy of Owner with respect to any such failure by Contractor.
28. **ASSIGNMENT:** Neither party may assign this Contract, or payments due under the Contract, without the other party's written consent. Any such assignment shall be void and of no effect.

29. INTERPRETATION:

A. Interpretation of Documents. The Contract, drawings, and specifications are intended to supplement one another. In the event of a conflict, the specifications shall control the drawings, and the Contract shall control both. If work is displayed on the drawings but not called for in the specifications, or if the work is called for in the specifications but not displayed on the drawings, Contractor shall be required to perform the work as though it were called for and displayed in both documents.

B. Entire Agreement. This Contract constitutes the entire agreement of the parties. No other agreements, oral or written, pertaining to the work to be performed under this Contract exists between the parties. This Contract may only be modified by a written agreement signed by both parties.

C. Governing Law. This Contract shall be interpreted and governed in accordance with the laws of the State of California.

30. ATTORNEYS' FEES AND COSTS: If any party to this Contract brings a cause of action against the other party arising from or relating to this Contract, the prevailing party in such proceeding shall be entitled to recover reasonable attorney fees and court costs.

31. PERFORMANCE:

A. Contractor may, at its discretion, engage licensed subcontractors to perform work pursuant to this Contract provided Contractor shall remain fully responsible for the proper completion of the Project.

B. All work shall be completed in a workman-like manner and in compliance with all building codes and applicable laws. To the extent required by law, all work shall be performed by individuals duly licensed and authorized by law to perform said work.

C. Contractor agrees to remove all debris and leave the premises in broom clean condition.

32. TIME OF ESSENCE; EXTENSION OF TIME

A. All times stated in this agreement or in the contract documents are of the essence.

B. The times stated in this agreement or in the contract documents may be extended by a change order signed by the parties.

33. SUBCONTRACTORS

A. Contractor agrees to furnish Owner, prior to the execution of this Agreement, with a list of names of subcontractors to whom he proposes to award the principal portions of the work to be subcontracted by him.

B. A subcontractor, for the purposes of this agreement, shall be a person or company with whom Contractor has a direct contract for work at the project site.

C. Contractor agrees not to employ a subcontractor to whose employment Owner reasonably objects, nor shall Contractor be required to hire a subcontractor to whose employment he reasonably objects.

D. All contracts between Contractor and subcontractors shall conform to the provisions of the contract documents and shall incorporate in them the relevant provisions of this Agreement.

34. MANDATORY ARBITRATION OF DISPUTES.

Any Claim arising out of or related to the Contract, except Claims of an aesthetic nature and except those waived, shall, after decision by the Architect or 30 days after submission of the Claim to the Architect, be subject to arbitration.

Prior to arbitration, the parties shall try to resolve disputes by mediation. Claims not resolved by mediation shall be decided by arbitration which, unless the parties mutually agree otherwise, shall be in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association currently in effect. The demand for arbitration shall be filed in writing with the other party to the Contract and with the American Arbitration Association, and a copy shall be filed with the Architect.

A demand for arbitration shall be made within the following time limits: 180 days from the completion of improvements, and in other cases within a reasonable time after the Claim has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such Claim would be barred by the applicable statute of limitations.

***Limitation on Consolidation or Joinder.* No arbitration arising out of or relating to the Contract shall include, by consolidation or joinder or in any other manner, parties other than the Owner, Contractor, a separate contractor, and other persons substantially involved in a common question of fact or law whose presence is required if complete relief is to be accorded in arbitration. No person or entity other than the Owner, Contractor or a separate contractor shall be included as an original third party or additional third party to an arbitration if their interest or responsibility is insubstantial. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of a Claim not described therein or with a person or entity not named or described therein. The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to the Agreement shall be specifically enforceable under applicable law in any court having jurisdiction thereof.**

***Claims and Timely Assertion of Claims.* The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded.**

***Judgment on Final Award.* The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.**

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP

ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE BUSINESS AND PROFESSIONS CODE OR OTHER APPLICABLE LAWS. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION:

35. INSURANCE

A. Contractor's Liability Insurance.

Contractor agrees to keep in force at his/her own expense during the entire period of construction on the project such liability insurance as will protect him/her from claims, under workers' compensation and other employee benefit laws, for bodily injury and death, and for property damage, that may arise out of work under this agreement, whether directly or indirectly by Contractor, or directly or indirectly by a subcontractor. The minimum liability limits of such insurance shall not be less than the limits specified in the contract documents or by law for that type of damage claim. Such insurance shall include contractual liability insurance applicable to Contractor's obligations under this agreement. Proof of such insurance shall be filed by Contractor with Owner within a reasonable time after execution of this agreement.

B. Owner's Liability Insurance.

Owner agrees to maintain in force his/her own liability insurance during the construction on this project and reserves the right to purchase such additional insurance as in his /her opinion is necessary to protect him/her against claims arising out of the Contractor's operation, without diminishing Contractor's obligation to carry the insurance specified in this agreement on Contractor's part to be carried.

C. Property Damage Insurance on Work Site.

Owner agrees to maintain at his/her expense during construction of the project property damage insurance on the work at the site to its full insurable value, including interests of Owner, Contractor, and subcontractors, against fire, vandalism, and other perils ordinarily included in extended coverage. Losses under such insurance will be adjusted with and made payable to Owner as trustee for the parties insured as their interests appear. Owner shall file a copy of all such policies with Contractor within a reasonable time after construction begins under and pursuant to this agreement.

D. Waiver of Work Site Property Damage Claims to Extent of Insurance Coverage.

Owner and Contractor waive all claims against each other for fire damage or damages from other perils covered by insurance provided in Subparagraph C. of this Section. Contractor agrees to obtain waivers of such claims by all subcontractors.

36. CORRECTING WORK

When it appears to Contractor during the course of construction that any work does not conform to the provisions of the contract documents, Contractor shall make necessary corrections so that such work will so conform, and in addition will correct any defects caused by faulty materials, equipment, or quality of performance in work supervised by him or her or by a subcontractor, appearing within 180 days from the date of issuance of a certificate of substantial completion, or within such longer period as may be prescribed by law or as may be provided for by applicable special guaranties in the contract documents.

37. TERMINATIONS

A. Contractor's Termination.

Contractor may, on 30 days written notice to Owner, terminate this agreement before the completion date specified in this agreement when for a period of 60 (number) days after a progress payment is due, through no fault of Contractor, Owner fails to make the payment. On such termination, Contractor may recover from Owner payment for all work completed and for any loss sustained by Contractor for materials, equipment, tools, or machinery to the extent of actual loss plus loss of a reasonable profit, provided he or she can prove such loss and damages.

B. Owner's Termination.

Owner may, on 30 days' notice to Contractor, terminate this agreement before the completion date specified in this agreement, and without prejudice to any other remedy he may have, when Contractor defaults in performance of any material provision in this agreement, or fails to carry out the construction in accordance with the provisions of the contract documents. On such termination, Owner may take possession of the work site and all materials, equipment, tools, and machinery on the work site, and finish the work in whatever way he deems expedient. If the unpaid balance on the contract price at the time of such termination exceeds the reasonable expense of finishing the work, Owner will pay such excess to Contractor. If the expense of finishing the work exceeds the unpaid balance at the time of termination, Contractor agrees to pay the difference to Owner.

C. On any such default by Contractor, Owner may elect not to terminate this agreement, and in such event he or she may make good the deficiency of which the default consists of and deduct the costs from the progress payment then or to become due to Contractor.

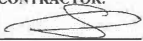
38. NO WAIVER

The failure of either party to this Agreement to insist upon the performance of any of the terms and conditions of this Agreement, or the waiver of any breach of any of the terms and conditions of this Agreement, shall not be construed as subsequently waiving any such terms and conditions, but the same shall continue and remain in full force and effect as if no such forbearance or waiver had occurred.

39. **WARRANTY:** Contractor's warranty shall be limited to defects in workmanship within the scope of work performed by Contractor and which arise and become known within two (2) years from the date hereof. All said defects arising after two (2) years and defects in material are not warranted by Contractor. Contractor hereby assigns to Owner all warranties on materials as provided by the manufacturer of such materials.

40. **SUCCESS COMPENSATION:** Contractor will earn a 30% success fee on this contract as well as the PSA with APS IP Holding Equipment upon completion of the Project on time and in full. This success fee may be paid in Membership Interests in BC&E USA Colusa 1, LLC at the Contractor's Discretion.

Item 5.

AGREED:	
CONTRACTOR:	OWNER:
 Signature	_____ Signature
<u>RICK HERLING V.P.</u> Print Name & Title	_____ Print Name
<u>10/27/2023</u> Date	_____ Date
<u>703198</u> License Number	
<u>JERRY HERLING</u> Name and Address of License Holder	
<u>33562 YUCAIPA BLVD, YUCAIPA, CA 92399</u>	

EXHIBITS

- Exhibit A Scope of Work
- Exhibit B Schedule of Values
- Exhibit C Construction Schedule
- Exhibit D Owner Supplied Equipment

EXHIBIT B
SCHEDULE OF VALUES

City of Colusa Gasification #1
(2861 Niagara Ave, Colusa 95932)

Pre Construction				
NTP			\$959,068.32	\$959,068.32
Mobilization			\$479,534.16	\$479,534.16
Components				
Move from Coachella to Yucaipa	\$278,750.00	\$43,373.50	\$235,376.50	
Prep for Installation	\$688,000.00	\$107,052.80	\$580,947.20	
Move from Yucaipa to Colusa	\$508,250.00	\$79,083.70	\$429,166.30	\$1,245,490.00
Niagara Property Improvements				
		\$0.00		
Clean Up Building	\$93,350.00	\$14,525.26	\$78,824.74	
Remove Grow House	\$186,700.00	\$29,050.52	\$157,649.48	
Remove Clean Rooms	\$186,700.00	\$29,050.52	\$157,649.48	\$394,123.70
Engineering and Permitting				
		\$0.00		
	\$225,000.00	\$35,010.00	\$189,990.00	\$189,990.00
General Conditions				
		\$0.00		
Overhead	\$840,492.60	\$130,780.65	\$709,711.95	\$709,711.95
Site Grading and Utilities				
		\$0.00		
Niagara Property Civil Works: Road Base 4500' x 20' x 6"	\$242,500.00	\$37,733.00	\$204,767.00	
Niagara Property Civil Works: Concrete Slab for Processing 105,500sf	\$1,860,800.00	\$289,540.48	\$1,571,259.52	
Niagara Property Civil Works: 12 Bunkers 65 concrete blocks each	\$223,875.00	\$34,834.95	\$189,040.05	\$1,965,066.57
Building Modifications/Construction				
		\$0.00		
Interior Electrical	\$216,500.00	\$33,687.40	\$182,812.60	
New Building (20,000 SF) Permitting	\$233,332.32	\$36,306.51	\$197,025.81	
New Building (20,000 SF) Foundation	\$699,996.95	\$108,919.53	\$591,077.42	
New Building (20,000 SF) Material Receiving	\$349,998.47	\$54,459.76	\$295,538.71	
New Building (20,000 SF) Erection	\$699,996.95	\$108,919.53	\$591,077.42	
New Building (20,000 SF) Electrical Installation	\$466,664.63	\$72,613.02	\$394,051.62	
New Building (20,000 SF) Finish Inside and Epoxy	\$350,011.68	\$54,461.82	\$295,549.86	\$2,547,133.45
Equipment Installation				
		\$0.00		
New Niagara Building: Placement of Components	\$442,500.00	\$68,853.00	\$373,647.00	
New Niagara Building: Testing & Optimizing Plant	\$186,500.00	\$29,019.40	\$157,480.60	
New Niagara Building: Completion of Installation	\$265,500.00	\$41,327.15	\$224,172.85	\$755,300.45
SUBTOTAL				
	\$9,245,418.60	\$1,438,602.48	\$9,245,418.60	\$9,245,418.60
Submit for Bond and Insurance Requirements 3.6	\$345,264.59	\$345,264.59	\$345,264.59	\$345,264.59
Total				
	\$9,590,683.19	\$1,783,867.07	\$9,590,683.19	\$9,590,683.19
	\$275,875.00	\$42,542.68		\$233,332.32
	\$827,625.00	\$127,628.05		\$699,996.95
	\$413,812.50	\$63,814.03		\$349,998.47
	\$827,625.00	\$127,628.05		\$699,996.95
	\$551,750.00	\$85,085.37		\$466,664.63
	\$413,813.50	\$63,801.82		\$350,011.68
	\$3,310,501.00	\$510,500.00		\$2,800,001.00

EXHIBIT A

SCOPE OF WORK

1 Introduction

Contractor will perform, furnish, undertake, provide (or cause to be performed, furnished, undertaken and provided by approved subcontractors), all Work necessary for the procurement, installation and construction of the Facility, all as necessary or useful to deliver the Facility to Owner, as detailed further below and otherwise as described in the Agreement, and as may be detailed further or modified (“**Scope of Work**”). Contractor acknowledges that Contractor’s performance of the Work constitutes a fixed price obligation, which Contractor will perform on a turnkey basis, for the Contract Price, in accordance with the applicable Project Design and Schedule, and in accordance with all other terms, conditions and requirements of the Agreement.

Any Work done described in this Exhibit shall commence only after execution of the Notice to Proceed (NTP). Upon completion of the Work, the Contractor shall substantiate the Work performed through photographs and other reasonable evidence in a form that can be provided to third parties by the Owner. The Contractor shall cooperate in facilitating third party inspection of the work as reasonably requested by the Owner.

The Contractor shall provide Owner a site-specific safety plan that is in compliance with the Occupational Safety and Health Administration (“OSHA”) standards and any local requirements (“Site Safety Plan”). The Contractor is responsible for providing a safe work environment and for safety of the public as it relates to the Work.

The Contractor will be considered prime contractor and ensure all other parties and or subcontractors activities are coordinated per OSHA standards.

The Contractor shall provide OSHA compliant construction facilities as required to complete the Work. These facilities may include, at the Contractor’s discretion, temporary toilets, trash collection, trash management and construction debris disposal.

The Owner will be responsible for the Facility Gasification Equipment Owned by BC&E USA Colusa I.

Contractor’s Scope of Work generally includes, without limitation, the provision by it or its subcontractors of:

- (i) procurement of all Governmental Authorizations for the Facility (unless such Governmental Authorizations are designated to be procured by Owner as detailed herein), some of which may need to be procured as part of the limited Work (not including Owner Supplied Equipment);
- (ii) Review and recommendations of Owner designs to complete the Work.
- (iii) Engineering designs as required for temporary or construction measures in order to complete the Work of which is not considered part of the final Facility.
- (iv) procurement of all Materials other than Owner Supplied Equipment and transportation and delivery of the same to the applicable Work Site.

- (v) timely inspection of, custody and care for, and installation of Owner Supplied Equipment.
- (vi) the provision of all equipment, tools, facilities, and utilities at the Work Site.
- (vii) the provision of all labor, supervision and project management services.
- (viii) all monitoring, 3rd party material testing, supervision, equipment, training and third-party expenses related to compliance with applicable regulations and standards.
- (ix) civil work relating to preparation of the Site.
- (x) installation of civil and electrical works, foundation and building modifications, gasifiers, and various balance of system equipment and components.
- (xi) all civil and electrical works relating to the Project interconnection.
- (xii) testing, commissioning, start-up activities for related Work.
- (xiii) All quality control and quality assurance
- (xiv) support as required for Gasifier equipment suppliers commissioning.
- (xv) support as required for the performance testing by Owner.
- (xvi) support as required for the commissioning by Utility.

in each case as necessary for the proper execution and completion of the Work in accordance with the Agreement. Contractor acknowledges that it is obligated to perform all tasks required by the Scope of Work or reasonably implied by the Scope of Work to be necessary in order to deliver to Owner the completed and fully operational Facility meeting all terms, conditions and requirements of the Agreement.

Contractor's Scope of Work shall also include and comply with all applicable requirements contained in the Construction Agreement and other Exhibits.

2 Definitions and Acronyms

All capitalized terms herein not defined below shall have the meaning prescribed to them in the form of the Construction Agreement.

3 Project Details

This section provides Project information and details to support the engineering, design and construction of the Project.

3.1 General Project Information

- 3.1.1 Project Name: City of Colusa #1
- 3.1.2 Project Coordinates (Lat/Long): 39.1752599, -121.9950122
- 3.1.3 Interconnection voltage: 12 kV

- 3.1.4 Property Size (Acres): 2.5 to property boundaries
- 3.2 Project Attributes
 - 3.2.1 Design Life (years):15
- 3.3 Project Special Conditions
 - 3.3.1 General construction activities shall be limited to the hours defined by the Permits. Unless approved by the Owner.
 - 3.3.2 Contractor shall comply with all Landowner Requirements and acknowledges that the Owner is responsible for damages at the Project Site that result from Contractor's performance of the Work. Contractor shall take reasonable care to limit damage to land outside the work areas and including damage to fences and roads.
 - 3.3.3 Additional special conditions per Permits outlined under **Exhibit D**
 - 3.3.4 **NEED TO DEFINE AIR PERMIT AND PERMIT TO OPERATE**

4 General Requirements

- 4.1 Scope of Work
 - 4.1.1 The Owner will be responsible for the Project engineering and design.? Either us or them
 - 4.1.2 Contractor shall provide a complete and functional Project. Including but not limited to the 2.8 MW Gasification System and Interconnection.
 - 4.1.3 Contractor shall construct the Project in accordance with the terms of the Construction Agreement, Owner supplied equipment design and the Specifications.
 - 4.1.4 Contractor's scope of work is to procure, assist owner with obtaining permits, construct, interconnect, commission, startup, and test a gasification system which is built in compliance with the required attributes in section 3 of this Exhibit and meets commissioning and acceptance testing requirements and as per the approved Commissioning Plan and Acceptance Test Plan provided by owner.
 - 4.1.5 It is the Contractor's responsibility to ensure that all aspects of Project construction comply with all federal, state, and local code requirements and all industry codes and standards. This includes, but is not limited to, the list specified in section 7.
 - 4.1.6 The Contractor will make sure all Work follows and does not deviate from the electrical, structural and civil designs by conducting quality control and assurance and perform field inspections, unless approved in writing by the Owner.
 - 4.1.7 Contractor shall perform, supply or cause to be supplied all equipment, Materials, labor, services, supervision, testing devices, drawings, calculations, specifications, manuals required for the Owners Project Design, excluding those listed in Exhibit D: Owner Supplied Equipment.
 - 4.1.8 Major components of the Work include:
 - 4.1.8.1 Project management including, but not limited to:
 - 4.1.8.1.1 Project administration

- 4.1.8.1.2 Scheduling
- 4.1.8.1.3 Quality control
- 4.1.8.1.4 Safety program administration, including Prime Contractor Responsibility
- 4.1.8.1.5 Progress reporting
- 4.1.8.1.6 Coordination of Contractor's personnel and subcontractors
- 4.1.8.1.7 Compliance with Applicable Permits and environmental requirements
- 4.1.8.2 Engineering of Work and construction support.
- 4.1.8.3 Document handover including but not limited to:
 - 4.1.8.3.1 Comprehensive operation and maintenance manuals for any contractor supplied equipment. Including signed and sealed vendor drawings, record drawings, recommended spare part lists and warranty information.
 - 4.1.8.3.2 Final review and Construction Report. The report shall be written and include summary of the design review, confirmation that the Works have been completed in accordance with the design, operating and maintenance procedures related to the constructed Works, and overall certification that the constructed Works are safe to operate and will perform as intended. The report will summarize and identify all quality control information, reports, testing, non-conformances, calibrations records, 3rd party testing accreditations.
 - 4.1.8.3.3 Redline drawings and provide any information as required for the As-built / Record drawings by the Owners engineer.
- 4.1.8.4 Subject to limitations in Exhibit D: Owner Supplied Equipment, procurement of all Material, equipment, and services, including but not limited to:
 - 4.1.8.4.1 Procurement of all materials, including, if applicable, but not limited to, fence, gates, control enclosures, relays, RTUs, relay panels, communication equipment, switches, routers, fuses, meters, servers, operating systems, alarm system, cabinets, foundations and foundation materials, hardware and fasteners, conduits, conductors, bonding and grounding equipment, and all related materials included in the Owner Design.
 - 4.1.8.4.2 Coordinating and shipping all material required for Owners Supplied Equipment to be installed on site.
 - 4.1.8.4.3 Procurement of all services including, but not limited to, subcontracted services required to prepare, install, construct, connect and test equipment at the Site
 - 4.1.8.4.4 Development of specifications and bid packages for subcontracted Work

- 4.1.8.4.5 Bid evaluation and selection for subcontracted Work
- 4.1.8.4.6 QA/QC material inspections and reception docket (bill of lading)
- 4.1.8.4.7 Obtaining all datasheets, relevant technical notes, installation, operations and maintenance manuals for all Project equipment
- 4.1.8.4.8 Priced list of recommended operating spare Parts with manufacturer-recommended spare part quantities based on the number of components installed at the Project.
- 4.1.8.5 Construction of all Project facilities including, but not limited to:
 - 4.1.8.5.1 Securing and controlling the Site and Site access
 - 4.1.8.5.2 protection of existing permanent easements as required. In consultation with the landowner(s) participating in the project who own these structures or partial structures, one or more of them may be removed to facilitate the construction.
 - 4.1.8.5.3 Removal of existing vegetation and debris as required
 - 4.1.8.5.4 Construction management and supervision
 - 4.1.8.5.5 Construction labor and training
 - 4.1.8.5.6 Construction and installation of all Project equipment
 - 4.1.8.5.7 Safety program
 - 4.1.8.5.8 Quality program
 - 4.1.8.5.9 Construction Aids and any necessary installation, including but not limited to construction trailers, and sanitary facilities and waste disposal.
 - 4.1.8.5.10 Construction utilities such as electrical power, water and telecommunications
 - 4.1.8.5.11 Parking for construction crews
 - 4.1.8.5.12 Construction, maintenance, removal and restoration of all temporary construction needs such as material laydown staging areas and temporary access.
 - 4.1.8.5.13 Construction fencing and lighting
 - 4.1.8.5.14 Construction sanitary facilities
 - 4.1.8.5.15 All consumables
 - 4.1.8.5.16 Site clean-up and reclamation
- 4.1.8.6 Inspection, testing and commissioning activities including, but not limited to:
 - 4.1.8.6.1 Commissioning and testing
 - 4.1.8.6.2 Acceptance testing support for Owner and PG&E
 - 4.1.8.6.3 Support for Owners Performance Testing

- 4.1.8.6.4 All personnel and test equipment required to perform the inspection, testing and commissioning activities.
- 4.2 Contractor shall be responsible for disposal of all waste material from the Work, including, but not limited to, disposal procedures for non-hazardous solid waste not reused or recycled, construction debris, timber and other vegetative debris, hazardous waste, and contaminated soils from equipment oil, fuel spills, caused by Contractor or Subcontractors.
- 4.2.1 Within the period prescribed and in accordance with all requirements of the Agreement, Contractor shall provide to Owner the Health and Safety Management Plan (HSE Plan) for the Work to ensure that appropriate measures are taken to support safe construction, including Prime Contractor responsibilities.
- 4.2.2 The HSE Plan shall include, but not be limited to:
- (i) an Emergency Response Plan, including coordination with local first responders.
 - (ii) all hazards generated by the Work activities at the Site
 - (iii) all safe work procedures designed to avoid or mitigate hazards at the Site
 - (iv) a first response plan for medical services and first aid
 - (v) hazardous substance operations and response
 - (vi) means of ingress and egress
 - (vii) fire and rescue response; and
 - (viii) reporting of safety incidents.
- 4.2.3 Contractor shall provide safety supervision to maintain safe conditions for workers, visitors and the general public as it relates to the Work.
- 4.2.4 Contractor shall procure and install arc-flash labels (templates provided by the Owner), and utilize appropriate PPE, for work performed in or near any live electrical components.
- 4.2.5 Contractor shall perform daily safety briefings and inform all workers of relevant hazards involved in the Work.
- 4.2.6 Contractor shall update the Health and Safety Management Plan (HSE Plan) as needed and shall ensure that it is comprehensive in all phases of construction, commissioning, acceptance and operation.
- 4.2.7 Contractor shall develop lock-out-tag-out (LOTO) procedures for performing the Work and testing of the Work.
- 4.2.8 Contractor shall provide project orientation and safety training to all construction workers and management staff and visitors who enter the Site.
- 4.2.9 Contractor shall provide incident reports for all near-miss, first-aid, lost time, material damage and medical assistance events within 24 hours of their occurrence and keep a complete report binder shall be kept on site.
- 4.2.10 The Owner may, at any time and from time to time, inspect the Site health and safety conditions or audit the health and safety performance records to determine the Contractor's compliance with the HSE Plan and all applicable health and safety

laws or requirements of any Governmental Authority. Such inspection or audit may take place without warning or notice of intent.

4.3 Environmental and Permit Requirements

- 4.3.1 Refer to the Construction Agreement, specifically, but not limited to, sections 1. E.
- 4.3.2 Contractor is with respect to the Work solely responsible for the protection of the environment, and shall comply strictly with and ensure that its Subcontractors comply.
- 4.3.3 The Contractor shall adhere to all NPDES requirements and implement and maintain all SWPPP measures
- 4.3.4 Contractor shall provide environmental training to all construction workers and management staff and visitors who enter the Site and report diligently to Owner, but no later than 24 hours of its knowledge, any environmental incident that occurs at the Site or any site surrounding the Site or on which Work is being performed.
- 4.3.5 The role of Environmental Monitor will be completed by a Contractor site staff member as it pertains to erosion and sediment control.

4.4 Project Schedule

- 4.4.1 Refer to the Construction Agreement for the requirements, specifically, but not limited to, sections 24. and related Exhibits.

4.5 Project Management

- 4.5.1 Contractor shall submit a Project Management Plan within thirty (60) days following the Execution Date meeting the following requirements:
 - 4.5.1.1 Designated Key Personnel who will be responsible for each portion of the Project, as defined in the Agreement, section 1. D., 2. Project reporting procedures and frequencies.
 - 4.5.1.2 Chain of communication.
 - 4.5.1.3 Change control plan.
- 4.5.2 The Contractor shall keep on the Site, throughout the Work, a competent and responsible Project Manager. If the Project Manager is not at site, there will be an assigned Construction Manager or Site Superintendent responsible and directing of the Work. The Project Manager shall not be removed or changed from the Work for the Project without prior written approval of the Owner. The Project Manager shall have the authority to represent and bind the Contractor. If the Project Manager is to be temporarily absent from Site during the execution of the Work, a suitable replacement shall be appointed subject to the approval of the Owner.
- 4.5.3 The Project Manager shall convene weekly conference calls with the Owner and agents designated by the Owner to communicate status of the Work.
- 4.5.4 The Project Manager shall issue all required reports (plan of the day, weekly update, monthly progress report) in accordance with the Agreement, specifically but not limited to section 1. A. and related Exhibits.
- 4.5.5 Contractor, Contractor's subcontractors the performing work shall hold and document Plan of the Day ("POD") meetings daily at a mutually agreed time to coordinate their work activities and to minimize their interference with each other's work activities.

- 4.5.6 Before any work is performed, a pre-construction conference shall be held to review contract requirements; establish a detailed schedule of operations; discuss the Contractor's safety rules and policies and the contractor's site HSE plan; discuss material handling; introduce various members of the Contractor's, Owner's, and engineer's staffs; and resolve any questions raised by any of the parties.
 - 4.5.7 During construction, weekly and monthly progress meetings shall be held to review job progress; review project work schedules; review requests for payment; resolve problems that may arise; discuss any accidents or near accidents since the last meeting; and address any other matters of concern to any of the parties.
 - 4.5.8 The Contractor shall prepare a summary of each meeting within two (2) working days of the meeting, especially noting any decisions made, and shall deliver a copy of same to the Owner (or Owner's designated representative).
- 4.6 Engineering
- 4.6.1 Contractor Design submittals for review and comment by Owner and Contractor. Submittal milestones shall be included in the Project Schedule and include:
 - 4.6.1.1 30% Design Documents review
 - 4.6.1.2 60% Design Documents review
 - 4.6.1.3 90% Design Documents review
 - 4.6.1.4 IFC Design Documents review.
 - 4.6.1.5 Or any other material Design change review requested by Owner.
 - 4.6.2 Contractor shall designate an engineering manager (as Key Personnel) who will be responsible for the overall management and administration of engineering design integration for procurement, construction and testing Work.
 - 4.6.3 As-Built Design Documents Red-line: to be submitted within 15 days of completion of the Acceptance Tests for the Substation and the Switchyard and within 20 days for the rest of the facility for the purposes of Substantial Completion.
- 4.7 Procurement
- 4.7.1 Contractor shall provide documentation if required by Owner, including manufacturer data sheets, test reports and drawings, that demonstrate all materials and equipment meet the Specifications and the Design requirements.
 - 4.7.2 Contractor should prioritize when possible, the use of commercially available compliant equipment, to facilitate procurement of spares for O&M activities.
 - 4.7.3 All vendor documents received by Contractor shall be maintained by Contractor and available to Owner at all times.
 - 4.7.4 Contractor shall be responsible for the procurement, handling, shipping costs and delivery of all equipment, materials and services, including, without limitation, locating, negotiating, inspecting, expediting, shipping, shipping permits, unloading, receiving, verifying, customs clearance and claims. All monitoring services including third party audits and factory visits with respect to manufacturing of equipment shall be communicated to Owner.
 - 4.7.5 Packing lists shall be maintained by Contractor at the Project and shall be available for Owner review.

- 4.7.6 All freight costs for all Material and equipment supplied by Contractor shall be the responsibility of the Contractor.
 - 4.7.7 All applicable taxes, tariff fees and import duties shall be the responsibility of the Contractor.
 - 4.7.8 All customs documentation and fees shall be the responsibility of the Contractor.
 - 4.7.9 All equipment stored offsite or at the Site shall be in accordance with Good Industry Practices and manufacturer's recommendations. Contractor is responsible of all equipment and materials (including Owner supplied Materials once received) and shall secure and keep free from damage, dirt, flooding and debris.
 - 4.7.10 Contractor shall perform all inspection and pre-installation maintenance activities, including inspection at reception to identify potential damage, to ensure compliance with manufacturer's recommendations. Contractor shall maintain a log of such activities, such log to include the date of such activities and the names and signatures of the personnel performing such activities. Such log shall be available to Owner for review.
 - 4.7.11 Contractor shall obtain all warranty information for all Project Materials and equipment supplied by Contractor and provide to Owner All key equipment warranties shall permit assignment to Owner without consent.
 - 4.7.12 Contractor shall obtain all installation, operations and maintenance manuals for all Project equipment supplied by Contractor.
 - 4.7.13 Contractor is responsible and shall secure all Materials (Owner and Contractor supplied) located at the Site until to the Final Completion Date.
- 4.8 Construction
- 4.8.1 Contractor shall provide construction and installation services necessary for the completion of the Work in a safe and orderly manner in compliance with all applicable laws and all requirements of governmental authorities, the specifications, applicable standards, the Permits and good industry practice.
 - 4.8.2 Prior to any Work at the Site, Contractor shall demonstrate or provide to Owner:
 - 4.8.2.1 All safety requirements stated in the Contract have been met.
 - 4.8.2.2 Contractor has received all installation manuals and requirements for all Project equipment.
 - 4.8.2.3 Contractor has provided to Owner an up-to-date procurement and construction schedule indicating firm commitment dates for all Project equipment.
 - 4.8.2.4 All Applicable Permits necessary to conduct the Work at the Site have been obtained, and all conditions, commitments, plans and environmental mitigation measures associated with the Applicable Permits have been met or implemented.
 - 4.8.2.5 All site-specific plans, programs, documentation required in due time by Owner
 - 4.8.3 All workmanship shall comply with good industry practices, Applicable Laws and Applicable Standards.

- 4.8.4 Contractor is responsible for on-site security and safety from the earlier of site mobilization or NTP until Substantial Completion.
- 4.8.5 The Contractor shall comply with all landowner requirements as set forth in the Agreement.
- 4.8.6 Dust control, Clean roads, Traffic control, Site housekeeping, Storm Water Pollution Prevention Plan (SWPPP): During construction of the Project, Contractor shall apply necessary dust-control measures and shall comply with the SWPPP. The Contractor shall be responsible for approved dust suppression applications in accordance with state, local and Owner requirements along the public and access roads and in other construction areas as required for its Work until the Project achieves Substantial Completion. The Contractor shall minimize, and control debris transfer to existing roadways. The Contractor shall be responsible for cleaning and protecting the local roads as needed and as directed by the Owner or County officials due to traffic associated with its Work. The Contractor is responsible for temporary traffic control measures as required for management of construction vehicles and all delivery vehicles including Owner-supplies equipment delivery vehicles on public roads and project access roads within the project area associated with its Work. The Contractor shall assist owner in obtaining transportation permits and develop, finalize, provide, and implement a traffic plan and final delivery route plan for owner procured equipment and materials.
- 4.8.7 Property damage: The Contractor shall perform the Work in a manner that will cause the minimum of inconvenience or injury to the landowners and occupiers adjacent to the Site and, at its sole cost and expense, and in accordance with the applicable landowner requirements, shall restore all property on or adjacent to the Site and access thereto that is damaged due to the Work or Contractor's negligence, to a better condition or as good a condition as before the damage occurred.
- The Contractor shall ensure that its Work does not interfere with, or cause any damage to, any existing facilities, and/or adjacent lands and shall not cut or connect into existing facilities without specific written instruction and approval of the Owner to do so.
- The Contractor shall avoid, where possible, or minimize any damage to functioning field tile drainage systems and soils resulting from the construction, operation, and/or maintenance of the facility in agricultural areas. Unless otherwise agreed to by the landowner, damaged field tile systems shall be promptly repaired to at least original conditions or modern equivalent at Contractor's expense. If applicable, excavated topsoil shall be segregated and restored in accordance with the lease or easement agreements with the landowner. Unless otherwise agreed to by the landowner, severely compacted soil shall be plowed or otherwise de-compacted during construction, if necessary, to restore them to original condition.
- If Contractor fails to repair, remediate, or replace any property, identified in writing as being damaged due to the Work or Contractor's negligence by the date specified, the Owner shall repair, remediate or replace the damages and set off the applicable cost of repair, remediation or replacement from any monies due to the Contractor under the Contract Documents.
- 4.8.8 Gates and fencing: The Contractor shall provide for existing fence removal, restoration, and repair across and adjacent to site access roads

- 4.8.9 Temporary Facilities and Utilities: Contractor shall provide and maintain all required temporary construction utilities such as electric power, water for concrete and dust control and telecommunication service (high-speed internet and telephones lines), as well as OSHA compliant temporary facilities, throughout the Project's construction period. These facilities shall be comprised of Contractor construction trailers, equipped with A/C, heating, drinking water and photocopier, space, communication and utility maintenance of the temporary yard and entrances, temporary washrooms, waste collection, waste management and construction debris disposal in accordance with the Solid Waste Disposal Plan, and installation of any required construction laydown/staging area. The laydown/staging area shall be removed after Project completion and the area restored in accordance with the Agreement and Permit requirements.
- 4.8.10 Contractor shall provide all fuels required for construction activities.
- 4.8.11 Contractor shall provide adequate lavatory facilities for the peak quantity of workers, including management, at the Site during execution. Contractor is responsible for all service and waste removal.
- 4.8.12 Contractor is responsible for properly containerizing, removing and disposing of all solid waste, including any Hazardous Materials waste generated during the Work, in accordance with the Solid Waste Disposal Plan.
- 4.9 Quality Assurance and Quality Control (QA/QC)
- 4.9.1 The Contractor shall develop, implement and be solely responsible for establishing an effective quality assurance and quality control plan covering all aspects of the Work, including all aspects of design, engineering, supply, labour, supervision, tools, materials, equipment, construction, and for ensuring and demonstrating compliance with all requirements of the Contract.
- 4.9.2 Contractor shall provide QA/QC supervision to maintain quality control in line with industry standards for similar work.
- 4.9.3 Within thirty (30) days following the Notice to Proceed Date or Contract signature date, whichever comes first, Contractor shall provide to Owner a Site-specific, detailed QA/QC Plan. The QA/QC Plan, at a minimum, shall address all aspects of:
- 4.9.3.1 Procurement of equipment, including inspections
 - 4.9.3.2 Construction of the Project, including inspection and testing procedures to verify the construction complies with the AHJ-approved design and permit conditions
 - 4.9.3.3 Commissioning and testing of the Project as stated in **Exhibit D**.
 - 4.9.3.4 Corrective action procedures that address defective materials, chain of supply, discrepant system components and field issues.
- 4.9.4 Contractor shall have the QA/QC Plan reviewed by Owner to ensure all testing and inspection procedures satisfy applicable standards and regulations.

- 4.9.5 Contractor shall perform inspections and field quality control testing throughout the construction process including:
 - 4.9.5.1 Assessing existing conditions
 - 4.9.5.2 Condition of equipment at reception
 - 4.9.5.3 Construction installation placement and qualification measurements
 - 4.9.5.4 Final inspections and tests
- 4.9.6 Testing shall comply with good industry practices, Applicable Laws and Applicable Standards.
 - 4.9.6.1 Testing shall include, but is not limited to: Commissioning and acceptance testing requirements of Exhibit D.
 - 4.9.6.2 Soil compaction testing where required as determined and recommended by the Site geotechnical report and/or the Owners engineer.
 - 4.9.6.3 Concrete compressive strength testing for all poured concrete, in accordance with ASTM C39, ACI 318 and any other applicable code or standard
 - 4.9.6.4 Any other tolerance requirements as outlined in the approved engineering drawings and/or manufacturer's recommendations.
- 4.9.7 Torque
 - 4.9.7.1 Contractor shall ensure all fasteners are torqued properly according to the manufacturer or licensed engineer's instructions.
- 4.9.8 Contractor shall coordinate and document all QA/QC requirements and inspection and test results.
- 4.9.9 Contractor shall provide at least a five (5) Business Day, or more at the Owner's request, notice to Owner prior to the following events for Owner to witness or review the QA/QC inspection and testing results required of each:
 - 4.9.9.1 Field copies of the "working copy" test reports (including third party test reports, acceptance guides, etc.) shall be photocopied and left at Site at all times. Test reports with the exception of third party testing, shall be submitted to Owner for audit. The Contractor is wholly responsible for evaluation of test results and assurance that equipment is acceptable for service.
 - 4.9.9.2 Site Visits and Inspections: The Owner, the Owner's representatives and their agents and consultants may, at all times during the performance of the Work, have access to the Work and visit the Contractor's and any subcontractors' facilities at intervals appropriate to the progress of construction without impeding progress to remain familiar with the progress and quality of the Work and to determine if the Work is proceeding in conformance with the Contract.

4.10 Commissioning

- 4.10.1 The Contractor shall develop and provide a detailed Commissioning Plan for the Project in accordance with the Agreement.
- 4.10.2 Commissioning shall be performed in accordance with the manufacturer's installation, commission and O&M manuals, and in accordance with the Commissioning Plan.
- 4.10.3 The Commissioning Plan specifications should define the minimum requirements for field inspection and testing of electrical equipment for the Project as outlined (Commissioning Plan and Requirements).
- 4.10.4 The Commissioning Plan shall include all relevant testing required to demonstrate compliance with the Project's interconnection.
- 4.10.5 In addition to the requirements, the Commissioning Plan to be provided by Contractor in accordance with the Agreement, and referenced industry standards, all testing shall be conducted in accordance with any instructions provided by the equipment manufacturer. Any conflict between these requirements shall be brought to the Owner's attention for resolution.
- 4.10.6 The Contractor shall be responsible for fully commissioning the Work and shall furnish all labor, equipment, tools, and Materials required to perform the Commissioning Tests.
- 4.10.7 Technicians performing the work shall be qualified by virtue of training and experience for the type of work performed and shall be familiar with the equipment under test. They shall be trained in the nature of the hazards involved and shall be capable of judging the serviceability of the equipment.
- 4.10.8 Contractor shall provide, for Owner review and approval, a complete set of commissioning test forms .
- 4.10.9 A complete report (Commissioning Test Report) of all testing shall be provided . The Engineer of Record or an independent Licensed Electrical Engineer shall review all substation and switchyard testing and commissioning reports and provide a letter of compliance prior to substation or switchyard energization.

4.11 Acceptance Testing

- 4.11.1 The Acceptance Test shall be used to verify that all components of the Project production capacity installed by the Contractor meet or exceeds the minimum target capacity of **2.8 MW**
- 4.11.2 The Contractor shall assist as required for testing the completed Project in accordance with the PPA and assist in any Utility acceptance requirements.

4.12 Manuals

- 4.12.1 At Substantial Completion or before, Contractor shall provide a comprehensive Project manual, which shall contain the following as a minimum:
 - 4.12.1.1 Final Contract Agreements
 - 4.12.1.1.1 Agreement
 - 4.12.1.1.2 Completion Certificates
 - 4.12.1.1.3 Warranties
 - 4.12.1.2 Project Overview and As-Built Drawings
 - 4.12.1.2.1 Contractor will provide all red-line markups of the modified building which houses the gasification system
 - 4.12.1.2.2 Contractor will provide all red-line markups of the Gasification Generating System.
 - 4.12.1.3 Studies and Reports
 - 4.12.1.3.1 Commissioning Reports, Test Reports, Inspection Reports and QA/QC Documentation
 - 4.12.1.3.2 Independent Laboratory Test Results if any
 - 4.12.1.4 QA/QC documentation
 - 4.12.1.5 Health and Safety documentation including but not limited to accident reports and hazardous material disposal reports
 - 4.12.1.6 Applicable Permits
 - 4.12.1.6.1 Owner Permits
 - 4.12.1.6.2 Contractor Permits
 - 4.12.1.6.3 Permit compliance documentation
- 4.12.2 Operations and maintenance manuals for all Equipment and Materials.
- 4.12.3 Software manuals and access information.
- 4.12.4 Contractor shall provide comprehensive Operating manual, detailing all services to be provided through the duration of the life of the system.
- 4.12.5 Complete Project manual and Operating manual shall be submitted to Owner no later than Final Completion Date.

4.13 Training

- 4.13.1 Contractor shall provide to Owner the training necessary and appropriate training for the proper and safe operation and control of the facility prior to energization of the project substation, gen-tie and switchyard.

4.14 Community Relations

- 4.14.1 Contractor shall develop a relations plan including but not limited to a contractor complaints resolution process with input from Owner.

- 4.14.2 Contractor shall maintain positive relations with the community and neighbors during the Work.
- 4.14.3 Contractor shall take appropriate steps to minimize disturbance to local residents.
- 4.14.4 Contractor shall maintain vegetation along the Site boundaries.

4.15 Vegetation Management

- 4.15.1 Contractor shall manage vegetation at the Site during the Work.

4.16 Security Requirements

- 4.16.1 The contractor shall provide a Security Plan. At a minimum, security shall address the following:
 - 4.16.1.1 Security measures to protect equipment, materials, and personnel.
 - 4.16.1.2 Work zone access and controls both during and after working hours
 - 4.16.1.3 Warning signs of the the potential of hazardous Work activities, as appropriate.
 - 4.16.1.4 Lighting requirements for working during non-daylight hours, as applicable.
 - 4.15.1.5 Further security specifications including fencing as required
 - 4.15.1.7 Storage shall be in contractor scope until substantial completion. The storage shall be of 30 days period minimum.

4.17 Access Rights

- 4.17.1 The Owner will, if applicable, provide the Contractor with details of the limitations or restrictions on the Contractor's activities for the Work at the Site prior to commencement of the Work. The Owner will provide access to the Site in accordance with the Agreement.

4.18 Restoration, Replanting and Landscaping

- 4.18.1 The Contractor shall be restore project to a clean and finished condition in accordance with the Permit requirements.
- 4.18.2 Fencing: Contractor shall provide permanent fencing if required to surround all above-ground features of the Project

5 Electrical Requirements

5.1 General

5.1.1 Contractor is responsible for electrical system studies for design of all electrical components and systems, including but not limited to, grounding studies including touch and step potential considerations, short circuit studies, load flow studies, insulation coordination, protective device coordination, cable sizing and thermal ampacity calculations for conditions of use and shall be signed and sealed by an appropriately licensed professional engineer.

5.1.2 Contractor is responsible to supply and install all aspects necessary for a fully functional 2.8 MW Gasification Facility

5.1.3 A fire mitigation plan (by Owner) shall be required.

5.2 Setbacks and access ways shall comply with the local jurisdiction's specific fire code and requirement

5.3 Interconnection

5.3.1 The Contractor shall help coordinate testing with the Utility acceptance testing and control system acceptance testing as required.

5.4 Telecommunication Services

5.4.1 The Contractor shall help coordinate testing with the Telcom acceptance testing and control system acceptance testing as required.

5.5 Signage

5.5.1 Prior to the start of construction in any particular area, sensitive resources such as buried utilities shall be demarcated with flagging or signage.

5.5.2 Signs shall be posted indicating:

5.5.2.1 The presence of multiple power sources

5.5.2.2 The presence of high voltage

5.5.2.3 That entry is restricted to authorized personnel only

5.5.2.4 Trespassing is not allowed

5.5.2.5 The Site is monitored by a security system

5.5.3 As per ANSI Z-535, Section **11.1**, "signs shall be so placed to alert and inform the viewer in sufficient time to take appropriate evasive actions to avoid potential harm from the hazard." The legibility of the sign, frequency of duplication and height shall support the line of sight of the viewer to satisfy the ANSI statement.

6 Civil and Structural Requirements

6.1 General

- 6.1.1 The Contractor shall perform all Site clearing and grubbing of the Site if required, including but not limited to grading, excavating, and removal of existing structures.

7 Industry Standards and Codes

7.1 Government and Jurisdictional Codes and Requirements

The Contractor shall engineer and construct the Project in compliance with all current applicable Federal, State and local building codes and requirements adopted by the applicable agencies having jurisdiction.

7.2 Industry Codes and Standards

Additional industry codes and standards include

**ENGINEERING, PROCUREMENT AND CONSTRUCTION AGREEMENT BY AND
BETWEEN BC&E USA COLUSA 1, LLC, OWNER AND
SITE CONSTRUCTORS, INC. GENERAL CONTRACTOR**

THIS ENGINEERING, PROCUREMENT AND CONSTRUCTION AGREEMENT

("Agreement"), dated October 24, 2023, and effective as of the date of the last party to sign below, is entered into by and between BC&E USA COLUSA 1, LLC, a California limited liability company (Owner) and SITE CONSTRUCTORS, INC. (Contractor), a California corporation.

For valuable consideration the parties hereby agree as follows:

1. SCOPE OF WORK: Contractor shall be responsible for the parameters of work hereinafter described:

A) **PLANS AND SPECIFICATIONS:** Contractor has attached to this Agreement, a detailed description of the scope of work providing detailed itemization of the project to be completed (Exhibit A), and a schedule of values to complete said work (Exhibit B). Contractor has also provided an estimated construction schedule (Exhibit C) which includes anticipated dates of issue of drawings and related documents, which shall compose the plans and specification, and anticipated construction activities.. Owner shall have the right to review and approve the plans and specifications and included drawings and documents. Owner's approval shall not be unreasonably withheld or delayed. Owner shall notify Contractor of any defects or deficiencies within 10 days of submittal of drawings or documents included in the plans and specifications. Owner's failure to respond within 10 days of submittal of the same shall be deemed to be an approval by Owner. Should Owner identify any defect or deficiency in the plans, specification, drawings, or documents provided, Contractor shall respond to Owners comments within 7 days of its submittal to Contractor. Contractor shall reasonably endeavor to implement and accommodate with any such specified items and shall work with Owner. Both parties operating in good faith to resolve the itemized issues of contention. With regard to plans and specifications including drawings and related documents, the following provisions shall apply.

i) Any changes shall be reflected by written change order signed by the parties.

ii) Owner's lender shall have the right and be afforded timely opportunity to review and approve any individual change estimated to cost \$250,000.00 or more. Owner's lender may review the plans and specifications and any such change orders by an independent engineer retained by the lender. If the lender or lender's independent engineer fails to respond within five business days after receipt of a request of a change or changes by the lender's engineer, such change or change order shall be deemed to have been approved by lender and Owner.

B) **IMPROVEMENTS:** Contractor shall perform construction of improvements to the site required by the plans and specifications and scope of work as defined in Exhibit A, including the modification to existing structures. Contractor shall conduct clearing, excavating, filling, or compacting of the site and the removal or importation of related materials (except for the handling, remediation, or removal of any preexisting hazardous substance). Hazardous substances will include those introduced to the site by a source independent of contractor at any time or archeological discoveries. Such matters and removal shall be the duty of owner.

C) **EQUIPMENT:** Procure, supply, transport equipment, including owner's supplied

equipment and unload and store equipment until ready for installation.

D) **CONSTRUCTION MANAGEMENT:** Provide construction management in order to complete the project in accordance with the terms and conditions of this agreement.

E) **SITE CONDITION:** Contractor shall accept responsibility for maintaining an environmentally clean site and avoiding spilled and contamination of the site.

F) **PERFORMANCE TESTING:** Contractor shall conduct performance testing as hereinafter set forth in this agreement.

G) **TRAINING ASSISTANCE:** Contractor shall assist in training procedures as hereinafter set forth in this agreement.

H) **CITY OF COLUSA BOARD MEETINGS:** Owner is coordinating with the City of Colusa in providing the improvements to be constructed by Contractor. Contractor shall assist owner in planning and submitting appropriate documents and participating in City of Council Board (CCB) meetings related to the project as maybe required by the CCB Certificate.

I) **TESTING:** Contractor shall conduct performance testing as set forth in Operating Instructions set forth in Exhibit E.

J) **OWNER SUPPLIED EQUIPMENT SPARE PARTS:** Owner shall provide the spare parts for the start-up and testing of the Facility prior to Commissioning.

K) **SPECIAL TOOLS:** Contractor shall provide special tooling as required for the start-up, testing and operation of the Facility prior to commissioning

L) **FAILURE DURING START-UP:** Should any owner supplied equipment fail prior to commercial operation; spare parts may be withdrawn from owner's stock of operations and maintenance stores and the equipment that failed returned to operating condition.

2. **CONTRACTOR'S PERSONNEL AND LABOR RELATIONS:** Contractor shall hire sufficient and suitable qualified and experienced personnel to perform and manage the work of improvement and to direct the operating and maintenance personnel in the commissioning and testing of the facility. Contractor's personnel shall be capable of performing Contractor's obligations under this agreement in a professional and workmanlike manner.
3. **GOVERNMENTAL AUTHORIZATION:** Contractor shall assist owner with obtaining the governmental authorizations required including local construction required authorizations in order to perform the tasks necessary in completing the work of improvement. Control of the work, the Contractor shall be solely responsible for construction means, methods, techniques, sequences, procedures, safety, and security programs in connection with the work of improvement. Required building/construction permits shall be obtained by Contractor, the cost thereof shall be included as part of the project price.
4. **TITLE TO PROJECT PROPERTY:** Owner warrants to Contractor and Contractor is not responsible to determine the project site location, property lines, third party easement rights, or other survey or title issues related to the worksite being provided by Owner. Warranty of title is that the property is owned by Owner. All portions of the subject property and rights related thereto are

owned by Owner.

5. **OWNER REQUESTED CHANGE ORDERS TO PLANS AND SPECIFICATIONS:** Owner may make reasonable changes to the scope of the work including changes to the plans and specifications and related drawings and documents from time to time during the construction of the project in accordance with this agreement. Any such change or modification shall only be made by written change order “signed by both parties”. Such change order shall become a part of this contract. Owner agrees to pay any increase in the cost of the project as a result of this change order.

A) DEFINITION OF CHANGE: A *change* shall mean a change in scope of work, specifications, performance guarantees, contract price, guaranteed completion date, or project schedule, as applicable or any other import to the work or schedule. A change may result from Owner directed changes, Owner requested changes and other impacts to the work.

6. **GENERAL CONTRACTOR CHANGE ORDERS TO PLANS AND SPECIFICATIONS:**

1) GENERAL CONTRACTOR CHANGES: It is anticipated that the general contractor may and in certain circumstances must, by written notice, request a change. Upon receipt of Contractor's request and any supporting documentation reasonably requested by Owner, then within 5 business days, Owner will notify Contractor of its acceptance or rejection of such request. Upon Owner's approval of such request and agreement on the terms of an associated change order, Contractor may proceed with the implementation of such change. If Owner elects not to proceed with any change requested by Contractor resulting from a change in law, the discovery of Hazardous Substances or any article of value or antiquity or of archaeological or geotechnical interest, or any unforeseen or varying site or other conditions or event of Force Majeure, Owner shall provide written notification to Contractor to stop work; otherwise Contractor shall be entitled to continue with the work as changed and pending agreement on the changes to price, schedule and other effected provisions herein, Contractor shall be compensated on a negotiated basis. If such change, discovery, condition, event, or amendment increases Contractor's cost or liabilities or materially impacts Contractor's ability to continue its performance hereunder, Contractor shall continue to work in other areas while formally raising its concerns on this specific issue. Contractor shall have no liability for the consequences of such election not to proceed with such change if such option is exercised in good faith.

7. **ADJUSTMENT TO AGREEMENT:** Should a change order cause an increase or decrease in Contractor's cost of or time required for performance of this agreement or otherwise affect any material provision of this agreement or materially impact the work as provided in the agreement or increase Contractor's cost or time required for performance of this agreement or otherwise adversely affect any provision of the agreement, Contractor shall be entitled to an adjustment to the contract price, project schedule, performance guarantees, guaranteed completion date or any other provision of this agreement which are materially affected by such change. In the event the parties are unable to agree as to the specific changes referenced herein, then the matter shall be resolved by the dispute resolution provision of this contract.

8. **FORCE MAJEURE CAUSED BY CHANGE IN LAW OR OWNER DELAY OR OTHER EVENTS:** Contractor shall give timely notice of any event or circumstance that Contractor believes is or might become Force Majeure, Owner delay, governmental delay, or third-party delay, barring unforeseen site condition or change in law. The notice shall include the information required with respect to associated change reasonably required with respect to the associated change that is required to be provided by Contractor as a result. If it is impracticable to specify the adjustments

the Contractor will claim, the Contractor will provide Owner with periodic supplemental notices during the time the event or circumstances continues.

9. **MITIGATION OF EVENT:** Contractor shall use reasonable efforts to remove or mitigate the effects of any Force Majeure referenced herein.
7. **SITE SECURITY:** Contractor shall warehouse or otherwise provide the appropriate storage for equipment at or in the vicinity of the site. Contractor shall be responsible for the proper fencing, guarding lighting and security of the work and equipment on the site.
8. **CONTRACT PRICE AND SCHEDULE OF VALUE:** Exhibit B hereto contains a total cost for the improvements set forth in the scope and schedule of work contained in Exhibit A. On a monthly basis, Contractor will submit to Owner an application for payment for that portion of work completed. Owner shall retain the right to pay Contractor's subcontractors directly for completed and approved work should contractor fail to pay Contractor's subcontractor within the terms of such subcontract. Any payments made to Contractor's Subcontractor by owner on behalf of the Contractor will be deducted from the total price set forth in Exhibit B
9. **DUTIES AND AUTHORITY OF OWNER REPRESENTATIVE:** Owner plans to designate a representative (the Owner's Representative), who is mutually acceptable to Owner and Contractor, which acceptance shall not be withheld unreasonably, and who shall be authorized to act on behalf of Owner, with whom Contractor may consult at all reasonable times and whose instructions, approvals, requests and decisions shall be binding upon Owner as to all matters pertaining to this agreement and the performance of Owner hereunder. Owner may change the Owner's Representative at any time by written notice to Contractor. Decisions and approvals by the Owner's Representative will comply with the terms of this agreement and laws and will not be unreasonably withheld or delayed.
10. **COMMENCEMENT OF WORK:** Owner shall inform Contractor in writing 30 days prior to the date, for Contractor to commence work.
11. **PROJECT CONSTRUCTION SCHEDULE:** See Exhibit C
12. **RESPONSIBILITIES OF OWNER:**
 - A. **COORDINATION WITH UTILITY:** Owner with the assistance of Contractor will be responsible at all times for coordinating and communicating with the utility with respect with all matters including the submission of notices and other documents in the handling and processing of comments given by the utility.
 - B. **QUALIFIED PERSONNEL FOR TRAINER:** Owner will at its expense and in sufficient time, provide or cause to be provided suitable qualified and where necessary licensed operators in the number requested by Contractor for training by Contractor. Contractor will supply or cause to be supplied such small tools, classrooms, office equipment and other similar equipment necessary to facilitate on the job training of the operations personnel as needed and in adequate time. Operators subsequent to their training, Owner will provide at its expense, such Operators to Contractor for the purpose of shadowing or assisting Contractor during commissioning and start of activities and continuing through commissioning.

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C. **OWNER SUPPLIED EQUIPMENT:** Owner shall ensure that any required Owner's supplied equipment will be delivered to this site in a timely fashion. Owner's supplied equipment estimated delivery schedule is set forth on Exhibit D. Failure in this shall relieve Contractor of completion delay penalties caused by any delivery delay. Any Owner supplied equipment delivered to this site incomplete or otherwise not in accordance with agreement, Contractor shall have the option to have the supplier complete the assembly before turning it over to Contractor or to assign such work to the Contractor via change order. Any such change order will both estimate the cost and schedule impacts associated with the work.

D. **ACCESS TO SITE AND RIGHTS OF WAY:** Owner shall provide at Owner's expense in a timely fashion, unrestricted access to the site for commencement of commercial operation. This shall include all easements or other rights of way required for access to the site and performance of the work to be provided.

13. **RESPONSIBILITIES OF CONTRACTOR:**

Contractor's duties and rights in connection with the above-described project are as follows:

A. Responsibility for and Supervision of Construction.

Contractor shall be solely responsible for all construction under this contract, including the techniques, sequences, procedures, and means, and for coordination of all work. Contractor shall supervise and direct the work to the best of his/her ability and give it all attention necessary for such proper supervision and direction.

B. Discipline and Employment.

Contractor shall maintain at all times strict discipline among his/her employees, and Contractor agrees not to employ for work on the project any person unfit or without sufficient skill to perform the job for which he or she was employed.

C. Furnishing of Labor, Materials, etc.

Contractor shall provide and pay for all labor, materials, and equipment, including tools, construction equipment, and machinery, utilities, including water, transportation, and all other facilities and services necessary for the proper completion of work on the project in accordance with the contract documents.

D. Payment of Taxes and Procurement of Licenses and Permits.

Contractor has not included taxes in pricing to Owner. Owner shall pay Contractor any sales tax on monthly progress invoices at the rate applicable to the work site, and Contractor shall pay all taxes required by law in connection with work on the project in accordance with this agreement including sales, use, and similar taxes, and shall secure all licenses and permits necessary for proper completion of the work, paying the fees for such licenses and permits.

E. Compliance with Construction Laws and Regulations.

Contractor shall comply with all laws and ordinances, and the rules, regulations, or orders of all public authorities relating to the performance of the work under and pursuant to this agreement. If any of the contract documents are at variance with any such laws, ordinances, rules, regulations, or orders, he or she shall notify Owner promptly on discovery of such variance.

F. Responsibility for Negligence of Employees and Subcontractors.

Contractor assumes full responsibility for acts, negligence, or omissions of all his/her employees on the project, for those of his subcontractors and their employees, and for those of all other persons doing work under a contract with him.

G. Warranty of Fitness of Equipment and Materials.

Contractor represents and warrants to Owner that all equipment and materials used in the work and made a part of the structures on such work, or placed permanently in connection with such work, will be new unless otherwise specified in the contract documents, of good quality, free of defects, and in conformity with the contract documents. It is agreed between the parties to this agreement that all equipment and materials not so in conformity will be considered defective.

14. **RIGHT TO CURE:** Contractor shall have the right to cure a defect before Owner may file any action in court against Contractor.
15. **DESTRUCTION AND DAMAGE:** If the Project is destroyed or damaged for any reason, except where such destruction or damage was caused by the sole negligence of the Contractor or its subcontractors, Owner shall pay Contractor for any additional work done by Contractor in rebuilding or restoring the Project to its condition prior to such destruction or damage. If the estimated cost of replacing work already accomplished by Contractor exceeds 20 percent of the Contract price, either the Contractor or Owner may terminate this Contract. Upon termination by either party, Contractor shall be excused from further performance under this Contract and Owner shall pay Contractor a percentage of the Contract price in proportion to the amount of work accomplished prior to the destruction or damage.
16. **WARRANTY OF TITLE:** Contractor warrants good title to the work and equipment and warrants and guarantees that title when it passes shall vest in Owner and will be free and clear of any liens, claims, charges, security interests, encumbrances or the rights of other persons or entities.
17. **TITLE TO WORK:** Title to work will pass to Owner upon payment to Contractor, Subcontractors and Suppliers as and for the work and equipment.
18. **TITLE TO PLANS AND SPECIFICATIONS:** Title to plans and specifications, drawings and like material required to be provided to Owner shall pass to the Owner upon payment of fees due.
20. **GENERAL CONTRACTOR INSURANCE:** Contractor shall provide general contractor's liability insurance in an amount and form as required by Owner's lender and the City of Colusa and as further set forth in Paragraph 35 herein.
21. **DOCUMENTATION:** Contractor shall determine the nature and scope of documentation required to complete the work. Such documentation may include, but is not limited to, architectural drawings, engineering drawings and specifications to comply with governmental permits and other documents necessary to complete the scope of work. Contractor shall obtain such documents and the costs thereto shall be reflected on Exhibit B.
22. **COMPLETION:** If required by the lender, Contractor shall provide a performance bond for the Contractors scope of the work in a form stipulated by the lender. Completion shall occur 12 months following execution of this Contract.

23. **WARRANTY:** Contractor warrants all the work set forth in this Agreement herein to be of sufficient quality and that all work was completed in a professional manner, adhering to industry standards and best practices. Only quality materials, consistent with contractual specifications, were used, and the work is free from defects in workmanship and materials. Such warranty shall extend for a period of two years from the completion of the scope of work set forth herein.
24. **SCHEDULE AND PERFORMANCE GUARANTEES:** Contractor warrants that it will adhere to the Project Schedule as set forth in Exhibit C, and any other scheduling responsibility and performance terms contained in this Agreement, and Contractor will be solely liable for any costs or penalties that result from any such delays, that are not otherwise excused in this Agreement, including, but not limited to any costs pertaining to the performance bond referenced in Section 22 herein.
25. **LIMITATION OF LIABILITY:** Notwithstanding any other provision of this agreement to the contrary, express or implied, the maximum aggregate liability of Contractor pursuant to this agreement, whether based on delay, contract, tort, negligence, strict liability, warranty, indemnity, error and omission or any other cause or legal theory whatsoever, shall be the aggregate limit, which limit includes but is not limited to liquidated damages, warranty indemnity and all other obligations including any breach resulting in termination. Such liability shall not exceed a maximum liability for liquidated damages of 25% of the contract price. Contractor's liability herein shall cease upon the completion of the warranty period, except for warranty remedies and associated extension of warranty time.
26. **RELEASES VALID:** Releases, disclaimers and limitations on liability expressed herein shall apply even in the event of the negligence, strict liability, fault, or breach of contract (including other legal bases of responsibility such as fundamental breach) of the party whose liability is released, disclaimed or limited.
27. **LIQUIDATED DAMAGES NOT PENALTY:** The parties acknowledge and agree that because of the unique nature of the facility and the unavailability of a substitute facility, it is difficult or impossible to determine with precision the amount of damages that would or might be incurred by the Owner as a result of Contractor's failure to achieve the performance guarantees or the guaranteed completion date. It is understood and agreed by the parties that (i) Owner shall be damaged by failure of Contractor to meet such obligations, (ii) it would be impracticable or extremely difficult to fix the actual damages resulting there from, (iii) any sums which would be payable under agreement are in the nature of liquidated damages and not a penalty and are fair and reasonable and (iv) such payment represents a reasonable estimate of fair compensation for the losses that may reasonably be anticipated from such failure and shall without duplication, be the sole and exclusive measure of damages and exclusive remedy of Owner with respect to any such failure by Contractor.
28. **ASSIGNMENT:** Neither party may assign this Contract, or payments due under the Contract, without the other party's written consent. Any such assignment shall be void and of no effect.

29. INTERPRETATION:

A. Interpretation of Documents. The Contract, drawings, and specifications are intended to supplement one another. In the event of a conflict, the specifications shall control the drawings, and the Contract shall control both. If work is displayed on the drawings but not called for in the specifications, or if the work is called for in the specifications but not displayed on the drawings, Contractor shall be required to perform the work as though it were called for and displayed in both documents.

B. Entire Agreement. This Contract constitutes the entire agreement of the parties. No other agreements, oral or written, pertaining to the work to be performed under this Contract exists between the parties. This Contract may only be modified by a written agreement signed by both parties.

C. Governing Law. This Contract shall be interpreted and governed in accordance with the laws of the State of California.

30. ATTORNEYS' FEES AND COSTS: If any party to this Contract brings a cause of action against the other party arising from or relating to this Contract, the prevailing party in such proceeding shall be entitled to recover reasonable attorney fees and court costs.

31. PERFORMANCE:

A. Contractor may, at its discretion, engage licensed subcontractors to perform work pursuant to this Contract provided Contractor shall remain fully responsible for the proper completion of the Project.

B. All work shall be completed in a workman-like manner and in compliance with all building codes and applicable laws. To the extent required by law, all work shall be performed by individuals duly licensed and authorized by law to perform said work.

C. Contractor agrees to remove all debris and leave the premises in broom clean condition.

32. TIME OF ESSENCE; EXTENSION OF TIME

A. All times stated in this agreement or in the contract documents are of the essence.

B. The times stated in this agreement or in the contract documents may be extended by a change order signed by the parties.

33. SUBCONTRACTORS

A. Contractor agrees to furnish Owner, prior to the execution of this Agreement, with a list of names of subcontractors to whom he proposes to award the principal portions of the work to be subcontracted by him.

B. A subcontractor, for the purposes of this agreement, shall be a person or company with whom Contractor has a direct contract for work at the project site.

C. Contractor agrees not to employ a subcontractor to whose employment Owner reasonably

objects, nor shall Contractor be required to hire a subcontractor to whose employment he reasonably objects.

D. All contracts between Contractor and subcontractors shall conform to the provisions of the contract documents and shall incorporate in them the relevant provisions of this Agreement.

34. MANDATORY ARBITRATION OF DISPUTES.

Any Claim arising out of or related to the Contract, except Claims of an aesthetic nature and except those waived, shall, after decision by the Architect or 30 days after submission of the Claim to the Architect, be subject to arbitration.

Prior to arbitration, the parties shall try to resolve disputes by mediation. Claims not resolved by mediation shall be decided by arbitration which, unless the parties mutually agree otherwise, shall be in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association currently in effect. The demand for arbitration shall be filed in writing with the other party to the Contract and with the American Arbitration Association, and a copy shall be filed with the Architect.

A demand for arbitration shall be made within the following time limits: 180 days from the completion of improvements, and in other cases within a reasonable time after the Claim has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such Claim would be barred by the applicable statute of limitations.

***Limitation on Consolidation or Joinder.* No arbitration arising out of or relating to the Contract shall include, by consolidation or joinder or in any other manner, parties other than the Owner, Contractor, a separate contractor, and other persons substantially involved in a common question of fact or law whose presence is required if complete relief is to be accorded in arbitration. No person or entity other than the Owner, Contractor or a separate contractor shall be included as an original third party or additional third party to an arbitration if their interest or responsibility is insubstantial. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of a Claim not described therein or with a person or entity not named or described therein. The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to the Agreement shall be specifically enforceable under applicable law in any court having jurisdiction thereof.**

***Claims and Timely Assertion of Claims.* The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded.**

***Judgment on Final Award.* The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.**

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A

COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE BUSINESS AND PROFESSIONS CODE OR OTHER APPLICABLE LAWS. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION:

35. **INSURANCE**

A. Contractor's Liability Insurance.

Contractor agrees to keep in force at his/her own expense during the entire period of construction on the project such liability insurance as will protect him/her from claims, under workers' compensation and other employee benefit laws, for bodily injury and death, and for property damage, that may arise out of work under this agreement, whether directly or indirectly by Contractor, or directly or indirectly by a subcontractor. The minimum liability limits of such insurance shall not be less than the limits specified in the contract documents or by law for that type of damage claim. Such insurance shall include contractual liability insurance applicable to Contractor's obligations under this agreement. Proof of such insurance shall be filed by Contractor with Owner within a reasonable time after execution of this agreement.

B. Owner's Liability Insurance.

Owner agrees to maintain in force his/her own liability insurance during the construction on this project and reserves the right to purchase such additional insurance as in his /her opinion is necessary to protect him/her against claims arising out of the Contractor's operation, without diminishing Contractor's obligation to carry the insurance specified in this agreement on Contractor's part to be carried.

C. Property Damage Insurance on Work Site.

Owner agrees to maintain at his/her expense during construction of the project property damage insurance on the work at the site to its full insurable value, including interests of Owner, Contractor, and subcontractors, against fire, vandalism, and other perils ordinarily included in extended coverage. Losses under such insurance will be adjusted with and made payable to Owner as trustee for the parties insured as their interests appear. Owner shall file a copy of all such policies with Contractor within a reasonable time after construction begins under and pursuant to this agreement.

D. Waiver of Work Site Property Damage Claims to Extent of Insurance Coverage.

Owner and Contractor waive all claims against each other for fire damage or damages from other perils covered by insurance provided in Subparagraph C. of this Section. Contractor agrees to obtain waivers of such claims by all subcontractors.

36. **CORRECTING WORK**

When it appears to Contractor during the course of construction that any work does not conform to

the provisions of the contract documents, Contractor shall make necessary corrections so that such work will so conform, and in addition will correct any defects caused by faulty materials, equipment, or quality of performance in work supervised by him or her or by a subcontractor, appearing within 180 days from the date of issuance of a certificate of substantial completion, or within such longer period as may be prescribed by law or as may be provided for by applicable special guaranties in the contract documents.

37. TERMINATIONS

A. Contractor's Termination.

Contractor may, on 30 days written notice to Owner, terminate this agreement before the completion date specified in this agreement when for a period of 60 (number) days after a progress payment is due, through no fault of Contractor, Owner fails to make the payment. On such termination, Contractor may recover from Owner payment for all work completed and for any loss sustained by Contractor for materials, equipment, tools, or machinery to the extent of actual loss plus loss of a reasonable profit, provided he or she can prove such loss and damages.

B. Owner's Termination.

Owner may, on 30 days' notice to Contractor, terminate this agreement before the completion date specified in this agreement, and without prejudice to any other remedy he may have, when Contractor defaults in performance of any material provision in this agreement, or fails to carry out the construction in accordance with the provisions of the contract documents. On such termination, Owner may take possession of the work site and all materials, equipment, tools, and machinery on the work site, and finish the work in whatever way he deems expedient. If the unpaid balance on the contract price at the time of such termination exceeds the reasonable expense of finishing the work, Owner will pay such excess to Contractor. If the expense of finishing the work exceeds the unpaid balance at the time of termination, Contractor agrees to pay the difference to Owner.

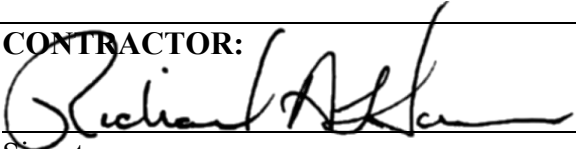
C. On any such default by Contractor, Owner may elect not to terminate this agreement, and in such event he or she may make good the deficiency of which the default consists of and deduct the costs from the progress payment then or to become due to Contractor.

38. NO WAIVER

The failure of either party to this Agreement to insist upon the performance of any of the terms and conditions of this Agreement, or the waiver of any breach of any of the terms and conditions of this Agreement, shall not be construed as subsequently waiving any such terms and conditions, but the same shall continue and remain in full force and effect as if no such forbearance or waiver had occurred.

39. **WARRANTY:** Contractor's warranty shall be limited to defects in workmanship within the scope of work performed by Contractor and which arise and become known within two (2) years from the date hereof. All said defects arising after two (2) years and defects in material are not warranted by Contractor. Contractor hereby assigns to Owner all warranties on materials as provided by the manufacturer of such materials.

40. **SUCCESS COMPENSATION:** Contractor will earn a 30% success fee on this contract as well as the PSA with Renewable, Gas and Electric, LLC upon completion of the Project on time and within budget. This success fee may be paid in Membership Interests in BC&E USA Colusa 1, LLC at Owners Discretion.

AGREED:	
CONTRACTOR:  Signature Richard A. Horn President Print Name & Title 10/25/2023 Date 503297 License Number Site Constructors, Inc PO Box 6254 Chico CA 95927 Name and Address of License Holder	OWNER: Signature Print Name & Title Date

EXHIBITS

- Exhibit A Scope of Work
- Exhibit B Schedule of Values
- Exhibit C Construction Schedule
- Exhibit D Owner Supplied Equipment

1 Introduction

Contractor will perform, furnish, undertake, provide (or cause to be performed, furnished, undertaken and provided by approved subcontractors), all Work necessary for the procurement, installation and construction of the Facility, all as necessary or useful to deliver the Facility to Owner, as detailed further below and otherwise as described in the Agreement, and as may be detailed further or modified (“**Scope of Work**”). Contractor acknowledges that Contractor’s performance of the Work constitutes a fixed price obligation, which Contractor will perform on a turnkey basis, for the Contract Price, in accordance with the applicable Project Design and Schedule, and in accordance with all other terms, conditions and requirements of the Agreement.

Any Work done described in this Exhibit shall commence only after execution of the Notice to Proceed (NTP). Upon completion of the Work, the Contractor shall substantiate the Work performed through photographs and other reasonable evidence in a form that can be provided to third parties by the Owner. The Contractor shall cooperate in facilitating third party inspection of the work as reasonably requested by the Owner.

The Contractor shall provide Owner a site-specific safety plan that is in compliance with the Occupational Safety and Health Administration (“OSHA”) standards and any local requirements (“Site Safety Plan”). The Contractor is responsible for providing a safe work environment and for safety of the public as it relates to the Work.

The Contractor will be considered prime contractor and ensure all other parties and or subcontractors activities are coordinated per OSHA standards.

The Contractor shall provide OSHA compliant construction facilities as required to complete the Work. These facilities may include, at the Contractor's discretion, temporary toilets, trash collection, trash management and construction debris disposal.

The Owner will be responsible for the Facility Gasification Equipment purchased from Renewable Gas and Electric, LLC– quantity of 10 HKA 300 Holz-Kraft wood power plant 300 with quantity of 40 wood gasifiers, type HV70-V2.0, and balance of plant and recommended manufacturer’s spare parts. Owner to deliver the major capital energy generating equipment, in accordance with the manufacturer’s estimated delivery schedule included in exhibit D. Owner shall deliver owner’s supplied equipment FOB (incoterm) at the factory located in Neufahrn, Lower Bavaria, Germany.

Owner’s supplied equipment shall include all the necessary manufacturer’s field technical support during installation, start up and commissioning; required at the site, until a full operational system is completed and accepted by the Owner.

Contractor is responsible for transportation cost, logistics, and delivery from factory in Germany, to job site in Colusa, CA.

Contractor’s Scope of Work generally includes, without limitation, the provision by it or its subcontractors of:

- (i) Assist Owner with procurement owner to procure of all Governmental Authorizations for the Facility (unless such Governmental Authorizations are designated to be procured by Owner as detailed herein), some of which may need to be procured as part of the limited Work (not including Owner Supplied Equipment);
- (ii) Review and recommendations of Owner designs to complete the Work.

- (iii) Engineering designs as required for temporary or construction measures to complete the Work of which is not considered part of the final Facility.
- (iv) procurement of all Materials other than Owner Supplied Equipment listed in Exhibit D, and transportation and delivery of the same to the applicable Work Site.
- (v) timely inspection of, custody and care for, and installation of Owner Supplied Equipment.
- (vi) the provision of all equipment, tools, facilities, and utilities at the Work Site.
- (vii) the provision of all labor, supervision and project management services.
- (viii) all monitoring, 3rd party material testing, supervision, equipment, training and third-party expenses related to compliance with applicable regulations and standards.
- (ix) civil work relating to preparation of the Site.
- (x) installation of civil and electrical works, foundation and building modifications, gasifiers, and various balance of system equipment and components.
- (xi) all civil and electrical works relating to the Project Substation, and the interconnection.
- (xii) testing, commissioning support, start-up support activities for related Work.
- (xiii) All quality control and quality assurance
- (xiv) support as required for Gasifier equipment suppliers commissioning.
- (xv) support as required for the performance testing by Owner.
- (xvi) support as required for the commissioning by Utility.

in each case as necessary for the proper execution and completion of the Work in accordance with the Agreement. Contractor acknowledges that it is obligated to perform all tasks required by the Scope of Work or reasonably implied by the Scope of Work to be necessary in order to deliver to Owner the completed and fully operational Facility meeting all terms, conditions and requirements of the Agreement.

Contractor's Scope of Work shall also include and comply with all applicable requirements contained in the Construction Agreement and other Exhibits.

2 Definitions and Acronyms

All capitalized terms herein not defined below shall have the meaning prescribed to them in the form of the Construction Agreement.

3 Project Details

This section provides Project information and details to support the engineering, design and construction of the Project.

3.1 General Project Information

- 3.1.1 Project Name: City of Colusa #1
- 3.1.2 Project Coordinates (Lat/Long): 39.175430, -121.995020
- 3.1.3 Interconnection voltage: 12 kV
- 3.1.4 Property Size (Acres): 5 acres
- 3.1.5 Property Description: Includes an existing 24,677 sf building/Industrial warehouse facility, chemical containment areas, loading dock, dry storage, and heavy 3700A electrical service with distribution.

3.2 Building site – Owner’s responsibility

- 3.2.1 Owner shall have full ownership, full title free of liens and full control of the proposed building at 2861 Niagara Ave, Colusa
- 3.2.2 Owner to provide full use of existing building located at 2861 Niagara Ave, Colusa, CA to contractor during the construction period, until completion of startup and commissioning and project acceptance by the Owner. .
- 3.2.3 Owner is responsible for the demolition of all interior spaces, walls, existing equipment, with the exception the basic existing electrical building infrastructure, life safety and...
- 3.2.4 The condition of the existing building prior to its transfer to contractor for construction shall be a fully demolished building of all interior walls, equipment, etc. The building shall be transferred to contractor with all existing exterior walls, as is, as a shell building with the interior spaces clear for construction.
- 3.2.5

3.3 Project Attributes

- 3.3.1 Design Life (years): 15

3.4 Project Special Conditions

- 3.4.1 General construction activities shall be limited to the hours defined by the Permits. Unless approved by the Owner.
- 3.4.2 Contractor shall comply with all Landowner Requirements and acknowledges that the Owner is responsible for damages at the Project Site that result from Contractor's performance of the Work. Contractor shall take reasonable care to limit damage to land outside the work areas and including damage to fences and roads.
- 3.4.3 Additional special conditions as required to Install Owner Supplied Equipment.
 - 3.4.3.1 Contractor is to apply and pay for the application of the air permit, the permit to construct and permit to operate from the County of Colusa Air Pollution Control District (CCAPCD).

4 General Requirements

4.1 Scope of Work

- 4.1.1 The Contractor will be responsible for the Project engineering and design

- 4.1.2 Contractor shall provide a complete and functional Project. Including but not limited to the 2.8 MW Gasification System and Interconnection.
- 4.1.3 Contractor shall construct the Project in accordance with the terms of the Construction Agreement, Owner supplied equipment design and the Specifications.
- 4.1.4 Contractor's scope of work is to procure, assist owner with obtaining permits, construct, interconnect, commission, startup, and test a gasification system which is built in compliance with the required attributes in section 3 of this Exhibit and meets commissioning and acceptance testing requirements and as per the approved Commissioning Plan and Acceptance Test Plan provided by owner.
- 4.1.5 It is the Contractor's responsibility to ensure that all aspects of Project construction comply with all federal, state, and local code requirements and all industry codes and standards. This includes, but is not limited to, the list specified in section 7.
- 4.1.6 The Contractor will make sure all Work follows and does not deviate from the electrical, structural and civil designs by conducting quality control and assurance and perform field inspections, unless approved in writing by the Owner.
- 4.1.7 Contractor shall perform, supply or cause to be supplied all equipment, Materials, labor, services, supervision, testing devices, drawings, calculations, specifications, manuals required for the Owners Project Design, excluding those listed in Exhibit D Owner Supplied Equipment.
- 4.1.8 Major components of the Work include:
 - 4.1.8.1 Project management including, but not limited to:
 - 4.1.8.1.1 Project administration
 - 4.1.8.1.2 Scheduling
 - 4.1.8.1.3 Quality control
 - 4.1.8.1.4 Safety program administration, including Prime Contractor Responsibility
 - 4.1.8.1.5 Progress reporting
 - 4.1.8.1.6 Coordination of Contractor's personnel and subcontractors
 - 4.1.8.1.7 Compliance with Applicable Permits and environmental requirements
 - 4.1.8.2 Engineering of Work and construction support.
 - 4.1.8.3 Document handover including but not limited to:
 - 4.1.8.3.1 Comprehensive operation and maintenance manuals for any contractor supplied equipment. Including signed and sealed vendor drawings, record drawings, and warranty information.
 - 4.1.8.3.2 Final review and Construction Report. The report shall be written and include summary of the design review, confirmation that the Works have been completed in accordance with the design, operating and maintenance procedures related to the constructed Works, and overall certification that the constructed Works are safe to operate

and will perform as intended. The report will summarize and identify all quality control information, reports, testing, non-conformances, calibrations records, 3rd party testing accreditations.

- 4.1.8.3.3 Redline drawings and provide any information as required for the As-built / Record drawings by the Owners engineer.
- 4.1.8.4 Subject to limitations in Exhibit D Owner Supplied Equipment, procurement of all Material, equipment, and services, including but not limited to:
 - 4.1.8.4.1 Procurement of all materials , including, if applicable, but not limited to, fence, gates, control enclosures, relays, RTUs, relay panels, communication equipment, switches, routers, fuses, meters, servers, operating systems, alarm system, cabinets, foundations and foundation materials, hardware and fasteners, conduits, conductors, bonding and grounding equipment, and all related materials included in the Owner Design.
 - 4.1.8.4.2 Coordinating and shipping all material required for Owners Supplied Equipment to be installed on site.
 - 4.1.8.4.3 Procurement of all services including, but not limited to, subcontracted services required to prepare, install, construct, connect and test equipment at the Site
 - 4.1.8.4.4 Development of specifications and bid packages for subcontracted Work
 - 4.1.8.4.5 Bid evaluation and selection for subcontracted Work
 - 4.1.8.4.6 QA/QC material inspections and reception docket (bill of lading)
 - 4.1.8.4.7 Obtaining all datasheets, relevant technical notes, installation, operations and maintenance manuals for all Project equipment
- 4.1.8.5 Construction of all Project facilities including, but not limited to:
 - 4.1.8.5.1 Securing and controlling the Site and Site access
 - 4.1.8.5.2 protection of existing permanent easements as required. In consultation with the landowner(s) participating in the project who own these structures or partial structures, one or more of them may be removed to facilitate the construction.
 - 4.1.8.5.3 Removal of existing vegetation and debris as required
 - 4.1.8.5.4 Construction management and supervision
 - 4.1.8.5.5 Construction labor and training
 - 4.1.8.5.6 Construction and installation of all Project equipment
 - 4.1.8.5.7 Safety program

- 4.1.8.5.8 Quality program
- 4.1.8.5.9 Construction Aids and any necessary installation, including but not limited to construction trailers, and sanitary facilities and waste disposal.
- 4.1.8.5.10 Construction utilities such as electrical power, water and telecommunications
- 4.1.8.5.11 Parking for construction crews
- 4.1.8.5.12 Construction, maintenance, removal and restoration of all temporary construction needs such as material laydown staging areas and temporary access.
- 4.1.8.5.13 Construction fencing and lighting
- 4.1.8.5.14 Construction sanitary facilities
- 4.1.8.5.15 All consumables
- 4.1.8.5.16 Site clean-up and reclamation
- 4.1.8.6 Inspection, testing and commissioning activities including, but not limited to:
 - 4.1.8.6.1 Commissioning and testing
 - 4.1.8.6.2 Acceptance testing support for Owner and PG&E
 - 4.1.8.6.3 Support for Owners Performance Testing
 - 4.1.8.6.4 All personnel and test equipment required to perform the inspection, testing and commissioning activities
- 4.2 Contractor shall be responsible for disposal of all waste material from the Work, including, but not limited to, disposal procedures for non-hazardous solid waste not reused or recycled, construction debris, timber and other vegetative debris, hazardous waste, and contaminated soils from equipment oil, fuel spills, caused by Contractor or Subcontractors.
 - 4.2.1 Within the period prescribed and in accordance with all requirements of the Agreement, Contractor shall provide to Owner the Health and Safety Management Plan (HSE Plan) for the Work to ensure that appropriate measures are taken to support safe construction, including Prime Contractor responsibilities.
 - 4.2.2 The HSE Plan shall include, but not be limited to:
 - (i) an Emergency Response Plan, including coordination with local first responders.
 - (ii) all hazards generated by the Work activities at the Site
 - (iii) all safe work procedures designed to avoid or mitigate hazards at the Site
 - (iv) a first response plan for medical services and first aid
 - (v) hazardous substance operations and response
 - (vi) means of ingress and egress
 - (vii) fire and rescue response; and
 - (viii) reporting of safety incidents.

- 4.2.3 Contractor shall provide safety supervision to maintain safe conditions for workers, visitors and the general public as it relates to the Work.
 - 4.2.4 Contractor shall procure and install arc-flash labels (templates provided by the Owner), and utilize appropriate PPE, for work performed in or near any live electrical components.
 - 4.2.5 Contractor shall perform daily safety briefings and inform all workers of relevant hazards involved in the Work.
 - 4.2.6 Contractor shall update the Health and Safety Management Plan (HSE Plan) as needed and shall ensure that it is comprehensive in all phases of construction, commissioning, acceptance and operation.
 - 4.2.7 Contractor shall develop lock-out-tag-out (LOTO) procedures for performing the Work and testing of the Work.
 - 4.2.8 Contractor shall provide project orientation and safety training to all construction workers and management staff and visitors who enter the Site.
 - 4.2.9 Contractor shall provide incident reports for all near-miss, first-aid, lost time, material damage and medical assistance events within 24 hours of their occurrence and keep a complete report binder shall be kept on site.
 - 4.2.10 The Owner may, at any time and from time to time, inspect the Site health and safety conditions or audit the health and safety performance records to determine the Contractor's compliance with the HSE Plan and all applicable health and safety laws or requirements of any Governmental Authority. Such inspection or audit may take place without warning or notice of intent.
- 4.3 Environmental and Permit Requirements
- 4.3.1 Refer to the Construction Agreement, specifically, but not limited to, sections 3. Governmental Authorization
 - 4.3.2 Contractor is with respect to the Work solely responsible for the protection of the environment, and shall comply strictly with and ensure that its Subcontractors comply.
 - 4.3.3 The Contractor shall adhere to all NPDES requirements and implement and maintain all SWPPP measures
 - 4.3.4 Contractor shall provide environmental training to all construction workers and management staff and visitors who enter the Site and report diligently to Owner, but no later than 24 hours of its knowledge, any environmental incident that occurs at the Site or any site surrounding the Site or on which Work is being performed.
 - 4.3.5 The role of Environmental Monitor will be completed by a Contractor site staff member as it pertains to erosion and sediment control.
- 4.4 Project Schedule
- 4.4.1 Refer to the Construction Agreement for the requirements, specifically, but not limited to, sections 24. Schedule and Performance Guarantees and related Exhibits.
- 4.5 Project Management
- 4.5.1 Contractor shall submit a Project Management Plan within thirty (60) days following the Execution Date meeting the following requirements:

- 4.5.1.1 Designated Key Personnel who will be responsible for each portion of the Project
- 4.5.1.2 Project reporting procedures and frequencies.
- 4.5.1.3 Chain of communication.
- 4.5.1.4 Change control plan.
- 4.5.2 The Contractor shall keep on the Site, throughout the Work, a competent and responsible Project Manager. If the Project Manager is not at site, there will be an assigned Construction Manager or Site Superintendent responsible and directing of the Work. The Project Manager shall not be removed or changed from the Work for the Project without prior written approval of the Owner. The Project Manager shall have the authority to represent and bind the Contractor. If the Project Manager is to be temporarily absent from Site during the execution of the Work, a suitable replacement shall be appointed subject to the approval of the Owner.
- 4.5.3 The Project Manager shall convene weekly conference calls with the Owner and agents designated by the Owner to communicate status of the Work.
- 4.5.4 The Project Manager shall issue all required reports (plan of the day, weekly update, monthly progress report) in accordance with the Agreement.
- 4.5.5 Contractor, Contractor's subcontractors the performing work shall hold and document Plan of the Day ("POD") meetings daily at a mutually agreed time to coordinate their work activities and to minimize their interference with each other's work activities.
- 4.5.6 Before any work is performed, a pre-construction conference shall be held to review contract requirements; establish a detailed schedule of operations; discuss the Contractor's safety rules and policies and the contractor's site HSE plan; discuss material handling; introduce various members of the Contractor's, Owner's, and engineer's staffs; and resolve any questions raised by any of the parties.
- 4.5.7 During construction, weekly and monthly progress meetings shall be held to review job progress; review project work schedules; review requests for payment; resolve problems that may arise; discuss any accidents or near accidents since the last meeting; and address any other matters of concern to any of the parties.
- 4.5.8 The Contractor shall prepare a summary of each meeting within two (2) working days of the meeting, especially noting any decisions made, and shall deliver a copy of same to the Owner (or Owner's designated representative).
- 4.6 Engineering
 - 4.6.1 Contractor Design submittals for review and comment by Owner and Contractor. Submittal milestones shall be included in the Project Schedule and include:
 - 4.6.1.1 30% Design Documents review
 - 4.6.1.2 60% Design Documents review
 - 4.6.1.3 90% Design Documents review
 - 4.6.1.4 IFC Design Documents review.
 - 4.6.1.5 Or any other material Design change review requested by Owner.

- 4.6.2 Contractor shall designate an engineering manager (as Key Personnel) who will be responsible for the overall management and administration of engineering design integration for procurement, construction and testing Work.
- 4.6.3 As-Built Design Documents Red-line: to be submitted within 15 days of completion of the Acceptance Tests for the Substation and the Switchyard and within 20 days for the rest of the facility for the purposes of Substantial Completion.
- 4.7 Procurement
- 4.7.1 Contractor shall provide documentation if required by Owner, including manufacturer data sheets, test reports and drawings, that demonstrate all materials and equipment meet the Specifications and the Design requirements.
- 4.7.2 All vendor documents received by Contractor shall be maintained by Contractor and available to Owner at all times.
- 4.7.3 Contractor shall be responsible for the procurement, handling, shipping costs and delivery of all, materials and services, including, without limitation, locating, negotiating, inspecting, expediting, shipping, shipping permits, unloading, receiving, verifying, customs clearance and claims. All monitoring services including third party audits and factory visits with respect to manufacturing of equipment shall be communicated to Owner.
- 4.7.4 Packing lists shall be maintained by Contractor at the Project and shall be available for Owner review.
- 4.7.5 All freight costs for all Material and equipment supplied by Contractor shall be the responsibility of the Contractor.
- 4.7.6 All applicable taxes, tariff fees and import duties shall be the responsibility of the Contractor.
- 4.7.7 All customs documentation and fees shall be the responsibility of the Contractor.
- 4.7.8 All equipment stored offsite or at the Site shall be in accordance with Good Industry Practices and manufacturer's recommendations. Contractor is responsible of all equipment and materials (including Owner supplied Materials once received) and shall secure and keep free from damage, dirt, flooding and debris.
- 4.7.9 Contractor shall perform all inspection and pre-installation maintenance activities, including inspection at reception to identify potential damage, to ensure compliance with manufacturer's recommendations. Contractor shall maintain a log of such activities, such log to include the date of such activities and the names and signatures of the personnel performing such activities. Such log shall be available to Owner for review.
- 4.7.10 Contractor shall obtain all warranty information for all Project Materials and equipment supplied by Contractor and provide to Owner All key equipment warranties shall permit assignment to Owner without consent.
- 4.7.11 Contractor shall obtain all installation, operations and maintenance manuals for all Project equipment supplied by Contractor.
- 4.7.12 Contractor is responsible and shall secure all Materials (Owner and Contractor supplied) located at the Site until to the Final Completion Date.

4.8 Construction

- 4.8.1 Contractor shall provide construction and installation services necessary for the completion of the Work in a safe and orderly manner in compliance with all applicable laws and all requirements of governmental authorities, the specifications, applicable standards, the Permits and good industry practice.
- 4.8.2 Prior to any Work at the Site, Contractor shall demonstrate or provide to Owner:
 - 4.8.2.1 All safety requirements stated in the Contract have been met.
 - 4.8.2.2 Contractor has received all installation manuals and requirements for all Project equipment.
 - 4.8.2.3 Contractor has provided to Owner an up-to-date procurement and construction schedule indicating firm commitment dates for all Project equipment.
 - 4.8.2.4 All Applicable Permits necessary to conduct the Work at the Site have been obtained, and all conditions, commitments, plans and environmental mitigation measures associated with the Applicable Permits have been met or implemented.
 - 4.8.2.5 All site-specific plans, programs, documentation required in due time by Owner
- 4.8.3 All workmanship shall comply with good industry practices, Applicable Laws and Applicable Standards.
- 4.8.4 Contractor is responsible for on-site security and safety from the earlier of site mobilization or NTP until Substantial Completion.
- 4.8.5 The Contractor shall comply with all landowner requirements as set forth in the Agreement.
- 4.8.6 Dust control, Clean roads, Traffic control, Site housekeeping, Storm Water Pollution Prevention Plan (SWPPP): During construction of the Project, Contractor shall apply necessary dust-control measures and shall comply with the SWPPP. The Contractor shall be responsible for approved dust suppression applications in accordance with state, local and Owner requirements along the public and access roads and in other construction areas as required for its Work until the Project achieves Substantial Completion. The Contractor shall minimize, and control debris transfer to existing roadways. The Contractor shall be responsible for cleaning and protecting the local roads as needed and as directed by the Owner or County officials due to traffic associated with its Work. The Contractor is responsible for temporary traffic control measures as required for management of construction vehicles and all delivery vehicles including Owner-supplies equipment delivery vehicles on public roads and project access roads within the project area associated with its Work. The Contractor shall assist owner in obtaining transportation permits and develop, finalize, provide, and implement a traffic plan and final delivery route plan for owner procured equipment and materials.
- 4.8.7 Property damage: The Contractor shall perform the Work in a manner that will cause the minimum of inconvenience or injury to the landowners and occupiers adjacent to the Site and, at its sole cost and expense, and in accordance with the applicable landowner requirements, shall restore all property on or adjacent to the Site and access thereto that is damaged due to the Work or Contractor's

negligence, to a better condition or as good a condition as before the damage occurred.

The Contractor shall ensure that its Work does not interfere with, or cause any damage to, any existing facilities, and/or adjacent lands and shall not cut or connect into existing facilities without specific written instruction and approval of the Owner to do so.

The Contractor shall avoid, where possible, or minimize any damage to functioning field tile drainage systems and soils resulting from the construction, operation, and/or maintenance of the facility in agricultural areas. Unless otherwise agreed to by the landowner, damaged field tile systems shall be promptly repaired to at least original conditions or modern equivalent at Contractor's expense. If applicable, excavated topsoil shall be segregated and restored in accordance with the lease or easement agreements with the landowner. Unless otherwise agreed to by the landowner, severely compacted soil shall be plowed or otherwise de-compacted during construction, if necessary, to restore them to original condition.

If Contractor fails to repair, remediate, or replace any property, identified in writing as being damaged due to the Work or Contractor's negligence by the date specified, the Owner shall repair, remediate or replace the damages and set off the applicable cost of repair, remediation or replacement from any monies due to the Contractor under the Contract Documents.

- 4.8.8 Gates and fencing: The Contractor shall provide for existing fence removal, restoration, and repair across and adjacent to site access roads

- 4.8.9 Temporary Facilities and Utilities: Contractor shall provide and maintain all required temporary construction utilities such as electric power, water for concrete and dust control and telecommunication service (high-speed internet and telephones lines), as well as OSHA compliant temporary facilities, throughout the Project's construction period. These facilities shall be comprised of Contractor construction trailers, equipped with A/C, heating, drinking water and photocopier, space, communication and utility maintenance of the temporary yard and entrances, temporary washrooms, waste collection, waste management and construction debris disposal in accordance with the Solid Waste Disposal Plan, and installation of any required construction laydown/staging area. The laydown/staging area shall be removed after Project completion and the area restored in accordance with the Agreement and Permit requirements.

- 4.8.10 Contractor shall provide all fuels required for construction activities.

- 4.8.11 Contractor shall provide adequate lavatory facilities for the peak quantity of workers, including management, at the Site during execution. Contractor is responsible for all service and waste removal.

- 4.8.12 Contractor is responsible for properly containerizing, removing and disposing of all solid waste, including any Hazardous Materials waste generated during the Work, in accordance with the Solid Waste Disposal Plan.

4.9 Quality Assurance and Quality Control (QA/QC)

- 4.9.1 The Contractor shall develop, implement and be solely responsible for establishing an effective quality assurance and quality control plan covering all aspects of the Work, including all aspects of design, engineering, supply, labour, supervision, tools, materials, equipment, construction, and for ensuring and demonstrating compliance with all requirements of the Contract.
- 4.9.2 Contractor shall provide QA/QC supervision to maintain quality control in line with industry standards for similar work.
- 4.9.3 Within thirty (30) days following the Notice to Proceed Date or Contract signature date, whichever comes first, Contractor shall provide to Owner a Site-specific, detailed QA/QC Plan. The QA/QC Plan, at a minimum, shall address all aspects of:
 - 4.9.3.1 Procurement of equipment, including inspections
 - 4.9.3.2 Construction of the Project, including inspection and testing procedures to verify the construction complies with the AHJ-approved design and permit conditions
 - 4.9.3.3 Commissioning and testing of the Project as stated in Exhibit E Operating Procedure
 - 4.9.3.4 Corrective action procedures that address defective materials, chain of supply, discrepant system components and field issues.
- 4.9.4 Contractor shall have the QA/QC Plan reviewed by Owner to ensure all testing and inspection procedures satisfy applicable standards and regulations.
- 4.9.5 Contractor shall perform inspections and field quality control testing throughout the construction process including:
 - 4.9.5.1 Assessing existing conditions
 - 4.9.5.2 Condition of equipment at reception
 - 4.9.5.3 Construction installation placement and qualification measurements
 - 4.9.5.4 Final inspections and tests
- 4.9.6 Testing shall comply with good industry practices, Applicable Laws and Applicable Standards.
 - 4.9.6.1 Testing shall include, but is not limited to: Commissioning and acceptance testing requirements of Exhibit E
 - 4.9.6.2 Soil compaction testing where required as determined and recommended by the Site geotechnical report and/or the Owners engineer.
 - 4.9.6.3 Concrete compressive strength testing for all poured concrete, in accordance with ASTM C39, ACI 318 and any other applicable code or standard
 - 4.9.6.4 Any other tolerance requirements as outlined in the approved engineering drawings and/or manufacturer's recommendations.
- 4.9.7 Torque

- 4.9.7.1 Contractor shall ensure all fasteners are torqued properly according to the manufacturer or licensed engineer's instructions.
- 4.9.8 Contractor shall coordinate and document all QA/QC requirements and inspection and test results.
- 4.9.9 Contractor shall provide at least a five (5) Business Day, or more at the Owner's request, notice to Owner prior to the following events for Owner to witness or review the QA/QC inspection and testing results required of each:
- 4.9.9.1 Field copies of the "working copy" test reports (including third party test reports, acceptance guides, etc.) shall be photocopied and left at Site at all times. Test reports with the exception of third party testing, shall be submitted to Owner for audit. The Contractor is wholly responsible for evaluation of test results and assurance that equipment is acceptable for service.
- 4.9.9.2 Site Visits and Inspections: The Owner, the Owner's representatives and their agents and consultants may, at all times during the performance of the Work, have access to the Work and visit the Contractor's and any subcontractors' facilities at intervals appropriate to the progress of construction without impeding progress to remain familiar with the progress and quality of the Work and to determine if the Work is proceeding in conformance with the Contract.
- 4.10 Commissioning
- 4.10.1 Commissioning plan of major capital power generation equipment to be provided by the manufacturer of the Owner supplied equipment..
- 4.10.2 Commissioning shall be performed in accordance with the manufacturer's installation, commission and O&M manuals, and in accordance with the Commissioning Plan.
- 4.10.3 The Commissioning Plan specifications should define the minimum requirements for field inspection and testing of electrical equipment for the Project as outlined (Commissioning Plan and Requirements).
- 4.10.4 The Commissioning Plan shall include all relevant testing required to demonstrate compliance with the Project's interconnection.
- 4.10.5 In addition to the requirements, the Commissioning Plan to be provided by Contractor in accordance with the Agreement, and referenced industry standards, all testing shall be conducted in accordance with any instructions provided by the equipment manufacturer. Any conflict between these requirements shall be brought to the Owner's attention for resolution.
- 4.10.6 The Contractor shall be responsible for fully commissioning the Work and shall furnish all labor, equipment (other than Owner Supplied in Exhibit D), tools, and Materials required to perform the Commissioning Tests.

- 4.10.7 Technicians performing the work shall be qualified by virtue of training and experience for the type of work performed and shall be familiar with the equipment under test. They shall be trained in the nature of the hazards involved and shall be capable of judging the serviceability of the equipment.
- 4.10.8 Contractor shall provide, for Owner review and approval, a complete set of commissioning test forms .
- 4.10.9 A complete report (Commissioning Test Report) of all testing shall be provided . The Engineer of Record or an independent Licensed Electrical Engineer shall review all substation and switchyard testing and commissioning reports and provide a letter of compliance prior to substation or switchyard energization.

4.11 Acceptance Testing

- 4.11.1 The Acceptance Test shall be used to verify that all components of the Project production capacity installed by the Contractor meet or exceeds the minimum target capacity of **2.8 MW**
- 4.11.2 The Contractor shall assist as required for testing the completed Project in accordance with the PPA and assist in any Utility acceptance requirements.

4.12 Manuals

- 4.12.1 At Substantial Completion or before, Contractor shall provide a comprehensive Project manual, which shall contain the following as a minimum:
 - 4.12.1.1 Final Contract Agreements
 - 4.12.1.1.1 Agreement
 - 4.12.1.1.2 Completion Certificates
 - 4.12.1.1.3 Warranties
 - 4.12.1.2 Project Overview and As-Built Drawings
 - 4.12.1.2.1 Contractor will provide all red-line markups of the modified building which houses the gasification system
 - 4.12.1.2.2 Contractor will provide all red-line markups of the Gasification Generating System.
 - 4.12.1.3 Studies and Reports
 - 4.12.1.3.1 Commissioning Reports, Test Reports, Inspection Reports and QA/QC Documentation
 - 4.12.1.3.2 Independent Laboratory Test Results if any
 - 4.12.1.4 QA/QC documentation
 - 4.12.1.5 Health and Safety documentation including but not limited to accident reports and hazardous material disposal reports
 - 4.12.1.6 Applicable Permits

- 4.12.1.6.1 Owner Permits
 - 4.12.1.6.2 Contractor Permits
 - 4.12.1.6.3 Permit compliance documentation
- 4.12.2 Operations and maintenance manuals for all Contractor procured Equipment and Materials.
- 4.12.3 Software manuals and access information for any Contractor procured Equipment
- 4.12.4 .
- 4.13 Training
 - 4.13.1 Contractor shall assist Owner with training necessary and appropriate training for the proper and safe operation and control of the facility prior to energization of the project.
- 4.14 Community Relations
 - 4.14.1 Contractor shall develop a relations plan including but not limited to a contractor complaints resolution process with input from Owner.
 - 4.14.2 Contractor shall maintain positive relations with the community and neighbors during the Work.
 - 4.14.3 Contractor shall take appropriate steps to minimize disturbance to local residents.
 - 4.14.4 Contractor shall maintain vegetation along the Site boundaries.
- 4.15 Vegetation Management
 - 4.15.1 Contractor shall manage vegetation at the Site during the Work.
- 4.16 Security Requirements
 - 4.16.1 The contractor shall provide a Security Plan. At a minimum, security shall address the following:
 - 4.16.1.1 Security measures to protect equipment, materials, and personnel.
 - 4.16.1.2 Work zone access and controls both during and after working hours
 - 4.16.1.3 Warning signs of the the potential of hazardous Work activities, as appropriate.
 - 4.16.1.4 Lighting requirements for working during non-daylight hours, as applicable.
 - 4.15.1.5 Further security specifications including fencing as required
 - 4.15.1.7 Storage shall be in contractor scope until substantial completion. The storage shall be of 30 days period minimum.

4.17 Access Rights

- 4.17.1 The Owner will, if applicable, provide the Contractor with details of the limitations or restrictions on the Contractor's activities for the Work at the Site prior to commencement of the Work. The Owner will provide access to the Site in accordance with the Agreement.

4.18 Restoration, Replanting and Landscaping

- 4.18.1 The Contractor shall restore project to a clean and finished condition in accordance with the Permit requirements.
- 4.18.2 Fencing: Contractor shall provide permanent fencing if required to surround all above-ground features of the Project

5 Electrical Requirements

5.1 General

- 5.1.1 Contractor is responsible for electrical system studies for design of all electrical components and systems, including but not limited to, grounding studies including touch and step potential considerations, short circuit studies, load flow studies, insulation coordination, protective device coordination, cable sizing and thermal ampacity calculations for conditions of use and shall be signed and sealed by an appropriately licensed professional engineer.
- 5.1.2 Contractor is responsible for installing all aspects necessary for a fully functional 2.8 MW Gasification Facility
- 5.1.3 A fire mitigation plan (by Owner) shall be required.

5.2 Setbacks and access ways shall comply with the local jurisdiction's specific fire code and requirement

5.3 Interconnection

- 5.3.1 The Contractor shall help coordinate testing with the Utility acceptance testing and control system acceptance testing as required.

5.4 Telecommunication Services

- 5.4.1 The Contractor shall help coordinate testing with the Telcom acceptance testing and control system acceptance testing as required.

5.5 Signage

- 5.5.1 Prior to the start of construction in any particular area, sensitive resources such as buried utilities shall be demarcated with flagging or signage.

- 5.5.2 Signs shall be posted indicating:
 - 5.5.2.1 The presence of multiple power sources
 - 5.5.2.2 The presence of high voltage
 - 5.5.2.3 That entry is restricted to authorized personnel only
 - 5.5.2.4 Trespassing is not allowed
 - 5.5.2.5 The Site is monitored by a security system
- 5.5.3 As per ANSI Z-535, Section **11.1**, “signs shall be so placed to alert and inform the viewer in sufficient time to take appropriate evasive actions to avoid potential harm from the hazard.” The legibility of the sign, frequency of duplication and height shall support the line of sight of the viewer to satisfy the ANSI statement.

6 Civil and Structural Requirements

6.1 General

- 6.1.1 The Contractor shall perform all Site clearing and grubbing of the Site if required, including but not limited to grading, excavating, and removal of existing structures.

7 Industry Standards and Codes

7.1 Government and Jurisdictional Codes and Requirements

The Contractor shall engineer and construct the Project in compliance with all current applicable Federal, State and local building codes and requirements adopted by the applicable agencies having jurisdiction.

7.2 Industry Codes and Standards

Additional industry codes and standards include

Under no circumstances does the contractor warrant any of the owner supplied equipment for operation, performance or suitability, or any period of operation. The installation workmanship of the Owner Supplied Equipment is the only warranty that is included. Installation directions and specifications are to be developed and distributed by the owner, including specifications tolerances, sequence of installation, start up, testing, and commissioning. The warranty is expressly limited to the workmanship of the installation only.

**EXHIBIT B
SCHEDULE OF VALUES**

Item 5.

City of Colusa Gasification #1 (2861 Niagara Ave, Colusa 95932)

\$11,254,509.49

Task Name	Cost
Pre Construction	\$1,030,409.95
Finalize EPC Contract	\$0.00
Prepare and submit project schedule	\$0.00
Receive LNTP notice to proceed with Engineering and Permitting and sign contract	\$80,000.00
Receive Full NTP	\$950,409.95
Engineering/Permitting/Surveying/Geotech	\$1,805,503.51
Design & Integrate Holtz-Kraft Equipment Drawings	\$105,550.00
Submit bond and insurance documents	\$473,943.23
Engineering -Interconnection	\$73,766.71
Engineering-Electrical	\$198,120.00
Engineering - Structural	\$78,682.95
Engineering - Civil (Inc surveying & Geotech)	\$71,927.15
Arc Flash Study	\$20,000.00
Consulting/Submit preliminary electrical drawings	\$83,766.71
Consulting/Submit preliminary Structural drawings	\$63,766.71
Consulting/Submit preliminary Civil drawings	\$63,766.71
Surveying/As-Build	\$45,125.00
Obtain Environmental Permits	\$173,948.54
Obtain Electrical Permits	\$178,857.00
Obtain Building Permits	\$174,282.80
Long Lead Procurement	\$465,730.62
Owner release for Spanner Equipment Package (40% Payment)	\$0.00
Shipping for Owner Supplied Equipment	\$380,000.00
Release Structural Subcontractor for Building Modification Material	\$85,730.62
General Conditions	\$1,594,796.14
Project Management	\$332,095.02
Site Clerk	\$143,144.40
QA/QC Material Receiving	\$166,047.51
Safety	\$153,707.32
Security/Fencing	\$160,402.17
Job Trailer	\$47,839.47
Utilities/Garbage	\$5,496.75
Phone/Internet	\$4,065.30
Toilets	\$11,488.20
Office Equipment/Supplies/Postage	\$6,180.00
Personnel Trucks (4)	\$252,000.00
Equipment Fuel	\$41,150.00
Travel/Lodging/Meals	\$271,180.00
Site Grading and Utilities	\$414,842.09
Equipment	\$34,700.00
Clear and grub site	\$97,250.00
Site access, Staging Area, Bunker, Storage	\$154,184.91
Perform final building site grading	\$48,707.18
SWPP	\$80,000.00

Existing Building Modifications	\$1,776,456.00
Foundation	\$150,514.34
Building Material	\$529,306.20
Building Erection	\$388,000.00
Interior Electrical	\$535,510.46
Security /Fire Alarm Systems	\$115,000.00
Site Remediation	\$58,125.00
Equipment Installation	\$3,814,169.68
Equipment for Receiving and Install (Gradall,Lifts,Crane,etc.)	\$410,054.00
Receive Spanner Equipment Package 1 of 3 (4 units)	\$461,031.15
Install Spanner Equipment Package 1 of 3 (4 units)	\$698,476.58
Receive Spanner Equipment Package 2 of 3 (3 units)	\$345,773.36
Install Spanner Equipment Package 2 of 3 (3 units)	\$523,857.43
Receive Spanner Equipment Package 3 of 3 (3 units)	\$345,773.36
Install Spanner Equipment Package 3 of 3 (3 units)	\$523,857.43
Install Air Scrubber (requirement for air pollutants)	\$250,000.00
Testing and Commissioning	\$255,346.37
Final Clean-up and Occupancy	\$52,180.00
Remove debris from building and do final clean-up	\$52,180.00
Substantial completion date	\$0.00
Complete Final Inspections	\$275,697.02
Perform local building agency inspection	\$44,724.48
Perform Fire Marshal's inspection	\$44,724.48
Complete punch list items from all inspections	\$161,523.58
Issue final completion documents including warranties	\$24,724.48
Issue final request for payment	\$24,724.48

BC&E USA Colusa 1, LLC Sources and Uses of funds	
Uses	Sources
Purchase Niagra Bldg	Direct Pay City of Colusa
APPS 8 TPD installed in newly constructed Bldg	Bank Loan
APPS 40 TPD installed in newly constructed Bldg	Equity from Principals
Spanner Re/Holz-Kraft 60 TPD installed existing Bldg	Equity EPC success fee
1 MW Solar and Battery Storage	
Equipment-servicing feedstock	
7.6 acres Land	
Accounting and Legal/Consulting/Professional Fee	
Capital raise fees	
Total Uses of Capital	Total Sources

**Operating Agreement of
BC&E USA COLUSA I LLC
A California Limited Liability Company**

Restated June 14, 2023

This OPERATING AGREEMENT ("Operating Agreement" or "Agreement") of BC&E USA COLUSA 1 LLC, 802 N Irwin Street, Hanford, California 93230, United States (the "Company"), dated as of 02/22/2023, is adopted by its members ("Members") as follows:

Robert L Norman, CPA - 802 N Irwin Street , Hanford, California 93230, United States

BACKGROUND

The Members have formed the Company as a limited liability company under the State Law of California and desire to enter into this Agreement to govern the operations of the Company.

THE AGREEMENT

NOW, THEREFORE, the Members and the Company agree as follows:

I. ORGANIZATION

1. Formation.

The Company has been organized as a California limited liability company under and pursuant to the provisions of law with the filing of the Articles of Organization of the Company with the Secretary of State of California on 02/21/2023. The rights and obligations of the Members shall be as set forth in this Operating Agreement, except to the extent expressly provided otherwise by law.

2. Name.

The name of the Company is BC&E USA COLUSA 1 LLC, and all Company business shall be conducted by that name or by such other name as the Members, from time to time, may select and which is in compliance with all applicable laws of the State of California.

3. Principal Office and Initial Agent.

The principal office of the Company shall be 802 N Irwin Street , Hanford, California 93230, United States, or such other office as Members, from time to time, may designate.

The registered agent of the LLC shall be as follows:

Robert L Norman

802 N Irwin Street , Hanford, California 93230, United States

4. Purpose

The purpose of the Company is as follows: Real Estate Holding and Renewable Energy Development, The Company may engage in all activities necessary or appropriate to achieve this purpose.

5. Term.

The term of this Agreement shall be perpetual, unless sooner terminated as hereinafter provided.

6. Entity Declaration.

The Company is not a general partnership, a limited partnership, or a joint venture, and no Member, either Managing or Non-Managing, shall be considered a partner or joint ventures of or with any other Member for any purpose other than for federal and state tax purposes, and this Operating Agreement shall not be construed otherwise.

II. CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNTS; MEMBER'S OWNERSHIP INTEREST

1. Contributions and Ownership Interest.

The initial contribution to the Company by the Member(s) is made simultaneously with the execution of this Agreement. The type of property contributed, the fair market value as agreed upon between the LLC and the contributing member, and the ownership interest percentage ("Interest") the member(s) receives in return for his or her contribution is detailed below:

Member Name	Initial Capital Contribution	Percentage Ownership
SEE EXHIBIT A	SEE EXHIBIT A	

The respective contributions of the Members must be delivered to the Membership/ Corporation on or before 02/22/2023.

2. Additional Capital Contributions.

No additional Capital contributions shall be permitted unless approved by the Company. No Member shall be required to introduce any additional Capital Contributions to the Company.

Members shall not receive any interest on their Capital Contributions.

3. No Right To Withdraw or to Withdraw Capital.

Members shall not be entitled to withdraw any of their contributions to the Company, nor shall they be entitled to the return of any amount in their Capital Account unless otherwise permitted by a unanimous vote of the Members.

4. Capital Accounts.

The capital of the Members shall be placed in Capital Accounts as may be approved and designated by the Members.

III. DISTRIBUTIONS

1. Distributions.

- a. In General. Distributions of cash or Property shall be allocated to the Members in accordance with the respective percentage of ownership by each of them.
- b. Distributions of Securities in Kind. To the extent feasible, each distribution of securities in kind shall be apportioned among the Members (based upon the fair market thereof as of the date of the distribution, as determined by the Members) in proportion to their respective interests in the proposed distribution under subsection (a) hereof.

2. Distribution Policy.

The Members may, in their sole discretion, but shall not be required to, cause the Company to make distributions of cash and/or Property at any time and from time to time in the manner described herein. Notwithstanding the foregoing, the parties hereby acknowledge their intent that (i) it be the general policy of the Company to make such distributions as are determined by the Members to be appropriate on a quarterly basis as soon as is reasonably practicable following the end of each fiscal quarter such that (ii) each fiscal quarter will generally be a separate Period. The Members will use all reasonable efforts to cause the Company to adhere to the following distribution policy: The Company will distribute to the Members, no less frequently than annually, substantially all of the taxable income, including net recognized capital gain, if any, related to the Company's investments. The Company will distribute to the Members all proceeds received from principal payments and sales of investments net of: (i) reserves and expenses; and (ii) any amounts paid by the Company on the exercise of warrants.

IV. ALLOCATIONS

1. Allocation of Profits and Losses.

Profits and Losses for each Period shall be allocated to the Members in accordance with the respective percentage of ownership by each of them.

2. Allocations Concerning Transferred Interests.

Unless required otherwise by the law, any profits or losses for a particular interest that has been conveyed or transferred for a particular year shall be allocated among participating Members, using as basis their respective interests, and also using standards which may be set by the Members or the Managing Member.

V. POWERS AND DUTIES OF THE MEMBERS

1. In General.

Except as otherwise specifically provided for in the Agreement or in law, the Managing Members shall have the exclusive right to manage the Company's business and shall: (i) manage the affairs and business of the Company; (ii) exercise the authority and powers granted to the Company; and (iii) otherwise act in all other matters on behalf of the Company. No contract, obligation or liability of any kind or type can be entered into on behalf of the Company by any single Member other than the Managing Member (if appointed) or through a corporate officer (if duly authorized). The Managing Members shall have the right to take all actions which shall be necessary or appropriate to accomplish the Company's purposes in accordance with the terms of this Operating Agreement.

2. Managing Member.

The Managing Member of the Company shall be Robert L Norman. The Managing Member shall have the authority to act on behalf of the Members or the Company for all actions which the Members may undertake under this Agreement.

3. Rights and Powers of Members.

The Members shall have all specific rights and powers required for the management of the business of the Company including the right to do the following:

- a. Conduct its business, carry on its operations and have and exercise the powers granted by law in any state, territory, district or possession of the United States, or in any foreign country which may be necessary or convenient to effect any or all of the purposes for which it is organized;

- b. Acquire by purchase, lease or otherwise any asset which may be necessary, convenient or incidental to the accomplishment of the purposes of the Company;
- c. Sell, assign, convey, operate, construct, improve, or lease any asset for Company purposes;
- d. Execute any and all agreements, contracts, documents, certifications and instruments necessary or convenient in connection with the management, maintenance and operation of the business, or in connection with managing the affairs of the Company, including executing amendments to this Operating Agreement and the Articles in accordance with the terms of this Operating Agreement;
- e. Borrow money and issue evidences of indebtedness, and secure the payment of the same by mortgage, pledge or other lien on Company assets, but only to the extent that such indebtedness, based on the advice of counsel to the Company, would not constitute acquisition indebtedness; provided, however, that the Members shall not borrow money or issue any evidence of indebtedness for the purpose of making additional loans or purchasing additional investment securities for and on behalf of the Company;
- f. Execute, in furtherance of any or all of the purposes of the Company, any deed, lease, mortgage, deed of trust, mortgage note, promissory note, bill of sale, contract, or other instrument purporting to convey or encumber any or all of the Company's assets;
- g. Prepay in whole or in part, refinance, recast, increase, modify or extend any liabilities affecting the assets of the Company and in connection therewith execute any extensions or renewals of encumbrances on any or all of such assets;
- h. Care for and distribute funds to the Members, by way of cash income, return of capital, or otherwise, all in accordance with the provisions of this Operating Agreement, and perform all matters in furtherance of the objectives of the Company or this Operating Agreement;
- i. Contract on behalf of the Company for the employment and services of employees and/or independent contractors, such as lawyers and accountants, and delegate to such Persons the duty to manage or supervise any of the assets or operations of the Company;
- j. Enter into transactions involving potential Conflict of Interest Transactions;

- k. Engage in any kind of activity and perform and carry out contracts of any kind (including contracts of insurance covering risks to Company assets and to the Members) necessary or incidental to, or in connection with, the accomplishment of
 - l. the purposes of the Company, as may be lawfully carried out or performed by a limited liability company under the laws of each state in which the Company is then formed or qualified.
 - m. take, or refrain from taking, all actions, not expressly proscribed or limited by this Operating Agreement, as may be necessary or appropriate to accomplish the purposes of the Company.
 - n. Institute, prosecute, defend, settle, compromise, and dismiss lawsuits or other judicial or administrative proceedings brought by or on behalf of, or against, the Company or the Members in connection with activities arising out of, connected with, or incidental to this Operating Agreement, and to engage counsel or others in connection therewith.
 - o. Acquire, utilize, vote, sell, mortgage, dispose, use and deal in and with, interests in or obligations of corporations, associations, partnerships, individuals, or various governmental interests.
 - p. To make such indemnification as is authorized by this Operating Agreement or in accordance with law.
4. Investment Duties.
affairs and will determine from time-to-time what securities and other investments will be retained or sold by the Company and will provide portfolio management and servicing of the investments held in the Company's portfolio, administer the Company's day-to-day affairs, and attend to Member relations. The Members will use/make reasonable efforts not to carry any investment or incur any liability for and on behalf of the Company which would result in the realization of unrelated business taxable income.

5. Administrative Duties.

The Members will administer the affairs of the Company as provided for hereunder and, in particular, will, among its other duties, attend to the following items:

- a. The Members will supervise all aspects of the operations of the Company, including
 - b. oversight of transfer agency, custodial and accounting services, to be paid by the Company;
 - c. The Members will arrange, but not pay, for the periodic preparation, updating, filing and dissemination (as required) of tax returns and required reports to the Members and appropriate federal or state regulatory authorities.
 - d. The Members will maintain or oversee the maintenance of all books and records with respect to the Company; and
6. Expenses.
- a. The Company will pay all expenses (including, without limitation, accounting, legal, printing, clerical, filing and other expenses) incurred by the Company or the Members on behalf of the Company in connection with the organization of the Company and the Conversion. The Company will bear all of its expenses incurred in its operations including, but not limited to, the following: (i) brokerage and commission expense and other transaction costs incident to the acquisition and dispositions of investments and the creation and perfection of security interests with respect thereto (if any), (ii) federal, state and local taxes and fees, including transfer taxes and filing fees, incurred by or levied upon the Company, (iii) interest charges and other fees in connection with any borrowings, (iv) SEC fees and expenses and any fees and expenses of state securities regulatory authorities, if any, (v) expenses of printing and distributing reports and notices to Members, (vi) costs of proxy solicitation, (vii) costs of meetings of Members, (viii) charges and expenses of the Company's custodian, transfer and dividend disbursing agents, (ix) expenses of collecting loans made by the Company and foreclosing and executing upon security interests granted to the Company in connection with any such loans, including the expenses of storing collateral, (x) legal and auditing expenses, including expenses incident to the documentation for, and consummation of, investments of the Company (including investments that are not consummated), (xi) costs of stationery and supplies, (xii) the costs of membership by the Company in any trade organization, and (xiii) expenses associated with litigation and other extraordinary or non-recurring expenses.

- b. The payment or assumption by the Members of any expense of the Company that the Members is not required to pay or assume hereunder shall not obligate the
- c. Managing Member (where appointed) to pay or assume the same or any similar expense of the Company on any subsequent occasion.

7. Resignation and Removal; Appointment of Successor.

- a. Managing Member shall begin effective as of 02/21/2023.
- b. The Managing Member may be terminated by a vote of the Members holding at least two-thirds ownership of the company, without the payment of any penalty, but only for Cause. The Managing Member may resign at any time, without the payment of any penalty, on sixty (60) days' written notice to the Company.
- c. If the Managing Member is removed or resigns, then a successor shall be appointed by an affirmative vote of a Majority-in-Interest.
- d. Notwithstanding any termination or resignation of the Managing Member, as to percent of ownership by the Managing Member, the Managing Member shall continue to be entitled to all rights of a Member with respect to thereto, including the right to any distribution made on or with respect to percent of ownership and the right to exercise all voting rights with respect to percent of ownership.

VI. MEETINGS OF MEMBERS (BOARD OF DIRECTORS)

The Company has resolved and shall be managed by a 5 (Five) Member Board of Directors. The Five (5) Member Board of Directors shall be comprised of the following:

Appointee of Originating Managing Member

Appointee of the Developer

Appointee of the Investor Group

Two Appointees of the Members at Large.

Duties of the Board Of Directors

A board of directors is a group of people who represent the interests of a company's shareholders. It also provides guidance and advice to an organization's CEO and executive team. A board provides general oversight of operations without getting involved in day-to-day operations.

1. Meetings.

Meetings of the Board of Directors may be called by the Managing Member/s, or by Members owning not less than twenty-five percent (12.5%) of the company. Meetings shall be held at the principal place of business of the Company or as otherwise determined by the Members.

2. Notice.

Notice of any meeting of the Board of Directors shall be given no fewer than five (5) days and no more than sixty (60) days prior to the date of the meeting. Notices shall be delivered in the manner set forth in this Agreement and shall specify the purpose or purposes for which the meeting is called. The attendance of a Board Member at any meeting shall constitute a waiver of notice of such meeting, except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

3. Quorum.

The holders of a Majority-in-Interest of the company, present in person or represented by proxy, shall constitute a quorum for transaction of business at any meeting of the Board of Directors; *provided, however*, that, if the holders of less than a Majority-in-Interest of the company is present at such meeting, the holders of a majority of ownership present may adjourn the meeting at any time without further notice.

4. Manner of Acting.

The act of the holders of a majority of ownership of the company present at a meeting at which a quorum is present shall be the act of the Members, unless the act of a greater number is required by the Act, this Operating Agreement, or the Articles.

5. Action Without Meeting.

Unless specifically prohibited by the Articles, any action required to be taken at a meeting of the Board of Directors or any other action which may be taken at a meeting of the Board of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by Board Members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all of the Members were present and voting. Prompt notice of the taking of the action without a meeting by less than unanimous consent shall be given in writing to those Board Members who did not consent in writing.

6. Telephonic Meetings.

The Board Members may participate in and act at any meeting of Members through the use of a conference telephone or other communications equipment by means of which

all persons participating in the meeting can hear each other. Participation in such meeting shall constitute attendance and presence in person at the meeting of the person or persons so participating.

7. Proxies.

Each Board Member entitled to vote at a meeting of Members or to express consent or dissent to action in writing without a meeting may authorize another Person or Persons to act for him by proxy. No proxy shall be valid after eleven months from the date of its execution unless it is otherwise permitted by law and so provided in the proxy.

8. Voting.

Except as otherwise required in the Articles of Organization, Certificate of Formation or expressly provided in this Agreement, the Board Member shall have all of the voting rights provided in the State Law.

9. Record Date.

For the purpose of determining the Board Members entitled to notice of, or to vote at, a meeting of the Board of Directors or to give approvals without a meeting hereof, to receive any distribution or to exercise any right, the Board Members may set a record date (the "Record Date") which, in the case of a meeting or written approvals, shall not be less than five (5) nor more than 60 days before (i) the date of the meeting (unless such requirement conflicts with any law, rule, regulation or other applicable ordinance) or (ii) in the event approvals are sought without a meeting, the date by which Board Members are requested in writing to give such approvals and, in all other cases, shall not be more than 60 days prior to any other action.

VII. INDEMNIFICATION/LIMITATION OF LIABILITY

1. Right to Indemnification.

Subject to the limitations and conditions provided in this Article 7 and in law, each Person ("Indemnified Person") who was or is made a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative (other than an action by or in the right of the Company) ("Proceeding"), or any appeal in such a Proceeding or any inquiry or investigation that could lead to such a Proceeding, by reason of the fact that it, or a Person of whom it is the legal representative, is or was a Member or Managing Member (or an owner, employee or agent thereof) shall be indemnified by the Company against judgments, penalties (including excise and similar taxes and punitive damages), fines, settlements and reasonable costs and expenses (including, without limitation, attorneys' fees) actually incurred by such Indemnified Person in connection with such Proceeding if such Indemnified Person acted in good faith and in a manner it reasonably believed to be in, or not opposed to, the best interest of

the Company and, with respect to any criminal action or proceeding, had no reasonable

cause to believe its conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Indemnified Person did not act in good faith and in a manner which it reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal action or proceeding, that the Indemnified Person had reasonable cause to believe that its conduct was unlawful.

2. Derivative Claims.

Subject to the limitations and conditions provided in this Article 7 and in law, the Company shall and does hereby indemnify any Person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that such Person is or was a Member or Managing Member (or an owner, employee or agent thereof) of the Company against expenses (including attorneys' fees) actually and reasonably incurred by such Person in connection with the defense or settlement of such action or suit, if such Person acted in good faith and in a way that is not contrary to the interests of the Company; provided, however, that indemnification shall not be made with respect to claims, issue or matter as to which such Person shall have been adjudged to be liable for gross negligence, recklessness or willful misconduct in the performance of its duty to the Company unless, and only to the extent that, the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such Person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

3. Success on Merits.

To the extent that a Person has been successful, on the merits or otherwise, in the defense of any Proceeding referred to in Sections 7.1 or 7.2, or in defense of any claim, issue or matter therein, such Person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such Person in connection therewith.

4. Survival.

Indemnification under this Article 7 shall continue as to a Person who has ceased to serve in the capacity which initially entitled such Person to indemnity hereunder. The rights granted pursuant to this Article 7 shall be deemed contract rights, and no amendment, modification or repeal of this Article 7 shall have the effect of limiting or

denying any such rights with respect to actions taken or Proceedings arising prior to any such amendment, modification or repeal.

5. Advance Payment.

The right to indemnification conferred by this Article 7 shall include the right to be paid or reimbursed by the Company for the reasonable expenses incurred in advance of the final disposition of the Proceeding and without any determination as to the Person's ultimate entitlement to indemnification; provided, however, that the payment of such expenses incurred in advance of the final disposition of a Proceeding shall be made only upon delivery to the Company of a written affirmation by such Person of its good faith belief that it has met the standard of conduct necessary for indemnification under this Article 7 and a written undertaking, by or on behalf of such Person, to repay all amounts so advanced if it shall ultimately be determined that such Person is not entitled to be indemnified under this Article 7 or otherwise.

6. Indemnification of Employees and Agents.

The Company may indemnify and advance expenses to any other employee or agent of the Company to the same extent and subject to the same conditions under which it may indemnify and advance expenses incurred by the Managing Member under this Article 7; and the Company may indemnify and advance expenses to Persons who are not or were not Managing Members, employees or agents of the Company, but who are or were serving at the request of the Company as a manager, director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic limited liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise against any liability asserted against it and incurred by it in such a capacity or arising out of its status as such a Person to the same extent that it may indemnify and advance expenses to the Member or Managing Member under this Article 7.

7. Appearance as Witness.

Notwithstanding any other provision of this Article 7, the Company may pay or reimburse expenses incurred by a Member or Managing Member (or owner, employee or agent thereof), or any agent or employee of the Company in connection with its appearance as a witness or other participation in a Proceeding at a time when it is not a named defendant or respondent in the Proceeding.

8. Non-exclusivity of Rights.

The right to indemnification and the advancement and payment of expenses conferred

by this Article 8 shall not be exclusive of any other right which a Member or Managing

Member (or an owner, employee, or agent thereof), or other Person may have or hereafter acquire under any law (common or statutory), provision of the Articles or Operating Agreement, agreements, vote of Members, or otherwise.

9. Insurance.

The Company may purchase and maintain insurance, at its expense, to protect itself and any Indemnified Person against any expense, liability, or loss, whether or not the Company would have the power to indemnify such Person against such expense, liability or loss under Article 7.

10. Savings Clause.

If Sections 7.1 or 7.2 or any portion thereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify and hold harmless each Indemnified Person as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative to the full extent permitted by any applicable portion of this Article 7 that shall not have been invalidated and to the fullest extent permitted by applicable law.

11. Limitation on Liability.

Neither a Member or the Managing Member shall be liable for any error of judgment or mistake of law or for any loss suffered by the Company in connection with the matters to which this Agreement relates except a loss resulting from gross negligence or willful misconduct on its part (or on the part of any Affiliate, as the case may be) in the performance of its duties or from its reckless disregard of its obligations and duties under this Agreement.

VIII. BOOKS, RECORDS, REPORTS AND BANK ACCOUNTS

1. Maintenance of Books and Records.

The Members shall cause the Company to keep books and records of accounts and minutes of the proceedings of its Members at the principal office of the Company. Within 120 days following the end of each of the Company's fiscal years, the Company shall provide the Members, unaudited, annual financial statements prepared in accordance with generally accepted accounting principles. In the discretion of the Members, the Company shall provide to the Members unaudited quarterly financial statements following the end of each of the first three fiscal quarters of the Company's fiscal year, prepared in accordance with generally accepted accounting principles.

2. Tax Information.

As promptly as reasonably practicable following the end of each fiscal year during the term of the Company, the Members shall be furnished with K-1 to Form 1065 or 1120S if Sub S Election is made, federal return or its equivalent, and such additional information as a Member reasonably may request to enable it to complete its tax returns or to fulfil other reporting requirements.

3. Taxable Year and Accounting Method.

The Company's taxable and fiscal years shall be December 31. The Company shall use the cash method of accounting.

4. Tax Elections.

All elections required or permitted to be made by the Company under the Code shall be made by the Members on behalf of the Company.

"Tax Matters Member."

The Managing Member or in case there is none, the designated person of the Members shall be the "tax matters partner" of the Company pursuant to the laws of California. The Tax matters partner is authorized to take such actions as are permitted.

5. Bank Accounts.

All funds of the Company are to be deposited in the Company's name in such bank accounts or investment accounts and shall be withdrawn on the signature of such other Person or Persons, as required by the applicable Custodian Agreement.

IX. RESTRICTIONS ON TRANSFER OF INTEREST

1. Prohibition on Transfers.

- a. Except as otherwise specifically provided herein, no Interest Holder may sell, assign, transfer, pledge, encumber, or otherwise dispose of (any of which is a "Transfer") its Interest, in whole or in part, or enter into any agreement or grant any options or rights with respect thereto, whether by action of such Interest Holder or by operation of law or otherwise, without the prior written consent of the Members. All expenses incurred by the Company in respect of such Transfer shall be reimbursed by such Interest Holder. In addition, the Members may require an opinion of counsel, in a form that is reasonably satisfactory to the Members, specifying the nature and circumstances of such Transfer and based on such facts, stating the proposed Transfer would not be in violation of any of the registration provisions of applicable federal or state securities laws.

- b. Notwithstanding anything contained herein to the contrary, the Members shall not consent to any transfer if such transfer would:
- i. cause a termination of the Company for federal or, if applicable, state income tax purposes;
 - ii. in the opinion of counsel to the Company, cause the Company to cease to be classified as a partnership for federal or state income tax purposes;
 - iii. cause the Company to become a "publicly traded partnership,";
 - iv. require the registration of such transferred Interest pursuant to any applicable federal or state securities laws;
 - v. subject the Company to regulation under relevant laws;
 - vi. result in a violation of applicable laws; or
 - vii. be made to any Person who lacks the legal right, power or capacity to own such Interest.

2. Admission of Transferee as Member.

- a. The Members may consent to a Transfer without consenting to the admission of the transferee under such approved Transfer (a "Transferee") as a Member of the Company. A Transferee may only be admitted as a Member of the Company if and when (i) the Transferee becomes a party to this Agreement by agreeing in writing to be bound by the terms and provisions hereof, and (ii) the Members consent to such admission, which consent may be withheld in its sole and absolute discretion. Any Transferee, and the spouse of such Transferee if applicable, shall execute and acknowledge such other instruments as the Members may deem necessary or desirable to effectuate the admission of the Transferee as a Member of the Company.
- b. Any Transferee not admitted as a member of the Company shall be entitled to the Profits, Loss, and distributions allocable based on ownership interest, but shall not be entitled to vote on Company matters or to exercise or enjoy any of the other rights of a Member of the Company unless and until such Transferee is admitted as a Member of the Company. Each Transferee or any subsequent Transferee of Interests, or any partial interests thereof, shall hold Economic Interests subject to all of the provisions hereof and shall make no transfers except as permitted hereby.

3. Pledge.

An Interest Holder may not pledge its Interest as security, except with the consent of the Members, which consent, in its sole and absolute discretion, may be withheld.

4. Void Transfers.

Any purported transfer in violation of any provision hereof shall be void ab initio and shall not operate to transfer any right, title or interest to the purported transferee.

5. Withdrawal Prohibited.

No Member may withdraw or resign from the Company until there has been a dissolution and a full and complete winding up of the Company in accordance with this Agreement and relevant laws. If such Member is permitted to withdraw pursuant to the provisions of, notwithstanding the foregoing, such Member shall be treated as an Economic Interest Holder which has not been admitted as a Member of the Company.

X. OFFICERS

Officers. During the Term of this Agreement, the Members shall take any actions necessary to elect the Officers of the Corporation as it may determine from time to time. At a minimum, the Members shall vote to appoint a President, Chief Operation Officer, Secretary, and Treasurer.

Officers shall perform such duties as may be defined by the Members with respect to their position, and those from time to time assigned to them by the Members.

Officers of the corporation shall have a term and if deemed appropriate a salary as may be defined by the Managing Members, and any vacancy can be filled up through a vote of the managing members.

XI. MAJOR CORPORATE DECISIONS

Except as otherwise provided herein, none of the following actions shall be taken by the Corporation without the affirmative approval of a Majority vote of all the Members entitled to vote:

- a. declaration or payment of any dividend or distribution or the like, or any redemption subsequent to the date hereof;
- b. any amendment, change or restatement of the Articles of Incorporation or the Bylaws of the Corporation;
- c. the dissolution, winding-up or liquidation of the Corporation;
- d. the entry into bankruptcy or insolvency proceedings, whether voluntary or involuntary; or
- e. the change in the business of the Corporation as presently conducted or as contemplated as of the date hereof.

XII. DISSOLUTION, LIQUIDATION AND TERMINATION

1. Events of Dissolution.

The Company shall be dissolved and shall commence winding up its affairs upon the first to occur of the following:

- a. The determination to dissolve made by the Members;
- b. The sale, disposition or abandonment of all or substantially all of the Property; or
- c. The entry of a decree of judicial dissolution in accordance with law.

The Company shall not be dissolved upon the death, insanity, retirement, resignation, expulsion, dissolution or Bankruptcy of any Member or Managing Member.

2. Winding Up.

Upon the dissolution of the Company, the Members shall wind up the Company's affairs and satisfy the Company's liabilities. The Members shall liquidate all of the assets of the Company in a reasonable fashion. During this period, the Members shall continue to operate the business of the Company and all of the provisions of this Operating Agreement shall remain in effect. The Members shall notify all known creditors and claimants of the dissolution of the Company in accordance with law.

3. Final Distribution.

The proceeds from the liquidation of the assets of the Company shall be distributed as follows:

- a. First, to creditors, including Members who are creditors, until all of the Company's debts and liabilities are paid and discharged (or provision is made for payment thereof); and
- b. The balance, if any, to the Members in accordance with the respective percent of ownership by each of them.

4. Distributions in Kind.

In connection with the termination and liquidation of the Company, the Members may either sell Property for cash or distribute Property *pro rata* in kind.

5. No Recourse Against Managing Member.

The Members shall look solely to the assets of the Company for the return of their investment, and if the assets remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return such investment, then they shall have no recourse against the Managing Member.

6. Certificate of Cancellation.

On completion of the distribution of assets of the Company as provided herein, the Members (or such other Person or Persons as the Act may require or permit) shall file a certificate of cancellation with the Secretary of State, take such other actions as may be necessary to terminate the Company.

XIII. GENERAL PROVISIONS

1. Effect of Headings; Terminology.

The subject headings of the articles, sections, and subsections of this Operating Agreement are included for convenience only and shall not affect the construction or interpretation of any of its provisions. All pronouns used herein shall be deemed to refer to the masculine, feminine or neuter gender, singular or plural, as the context requires. The use herein of the word "including," when following any general statement, term or matter shall not be construed to limit such statement, term or matter to the specific items or matter set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words with the same meaning or intent) is utilized in relation to the same, but shall be construed as a reference to matters or items that could be included within the scope of the general statement, matter, or term.

Entire Agreement; Waiver.

This Operating Agreement hereto constitutes the entire agreement between the parties pertaining to the subject matter contained in them and supersedes all prior and contemporaneous agreements, representations, and understandings of the parties. Each party hereto represents that, in entering into this Operating Agreement, such party has relied solely upon the express provisions of this Operating Agreement and has not relied upon any other party's inducements, promises, representations or obligations to make any disclosures. No waiver of any of the provisions of this Operating Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

2. Amendments.

- a. this Agreement may be amended, in whole or in part, only through a written amendment executed by the Members constituting a Majority-In-Interest

3. Notices.

All notices and demands required or permitted under this Operating Agreement shall be

in writing, as follows: (i) by actual delivery of the notice into the hands of the party

entitled to receive it; (ii) by mailing such notice by registered or certified mail, return receipt requested, in which case the notice shall be deemed to be given on the date which is five (5) days after its mailing; (iii) by facsimile or (iv) by Federal Express or any other overnight carrier, in which case the notice shall be deemed to be given as of the date it is sent.

All notices which concern this Operating Agreement shall be addressed to all Members and all relevant officers, employees, or persons.

This Operating Agreement shall be binding upon the Members, the Managing Member and their respective successors, assigns, heirs, devisees, legal representatives, executors, and administrators.

4. Applicable Law.

The laws of the State of California shall govern this Operating Agreement, excluding any conflict of laws rules. The Members agree that all claims, actions, or proceedings arising from this Operating Agreement shall commence only in courts having a situs within California. Each Member hereby consents and submits to the jurisdiction of any local, state, or federal court located within such county and state and hereby waives any rights it may have to transfer or change the venue of any such litigation. To the extent permitted by applicable law, the provisions of this Operating Agreement shall override the provisions of the Act to the extent of any inconsistency or contradiction between them.

5. Further Assurances.

Each Member shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Operating Agreement and the transactions contemplated herein.

6. Severability.

If any provision of this Operating Agreement is held invalid or unenforceable by any court of final jurisdiction, it is the intent of the parties that such provision or portion thereof shall be modified or deleted in such a manner so as to make such provision or portion thereof, as modified, legal, and enforceable to the fullest extent permitted under applicable law, and, notwithstanding such modification or deletion, all other provisions of this Operating Agreement be construed to remain fully valid, enforceable, and binding on the parties, provided that no such severability shall be effective if it materially changes

the economic benefit of this Operating Agreement to any party.

7. Attorneys' Fees and Costs.

If any legal action or other proceeding is brought for the enforcement of this Operating Agreement, or because of an alleged dispute, breach, default, or misrepresentative in connection with any of the provisions of this Operating Agreement, the prevailing party or parties shall be entitled to recover court costs, expert and witness costs, reasonable attorneys' fees and other costs incurred in that action or proceeding in addition to any other relief to which it or they may be entitled. The prevailing party shall be determined based upon an assessment of which party's major arguments made or positions taken in the action or proceedings fairly could be said to have prevailed over the other party's major arguments or positions on major disputed issues in the decision.

8. Counterparts.

This Operating Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Members and the Company have caused this Agreement to be executed as of the day and year first above written.

Robert L Norman, CPA
Managing Member

BC&E USA COLUSA 1 LLC

EXHIBIT A

Contributions and Ownership Interest

UNITS AUTHORIZED VIA RESOLUTION DATED JUNE 14, 2023

TOTAL UNITS AUTHORIZED 100,000

Restated June 14, 2023

<u>MEMBER NAME</u>	Initial Capital <u>Contribution</u>	Percentage <u>Ownership</u>	<u>UNITS</u>
Robert L Norman CITY OF COLUSA	Other PPA	12.5	12,500

TOTAL UNITS ASSIGNED	12,500
TOTAL UNITS UNASSIGNED	87,500

Secretary, BC&E USA COLUSA 1 LLC

Date

OPTION EXERCISE AND AGREEMENT TO RECEIVE AND DISBURSE FEDERAL INFLATION REDUCTION ACT INVESTMENT TAX CREDITS

This Agreement ("Agreement") is made and entered into as of August 20 2024, by and between BC&E USA COLUSA 1 LLC, a California Limited Liability Company ("BC&E" or "Company"), and the City of Colusa, California ("City"), collectively (the "Parties").

RECITALS

WHEREAS, the City has the right to acquire a 12.5% Unit interest in the Company pursuant to that certain Option Grant dated July 18, 2023, between the Company and the City.

WHEREAS, the Company has sufficient Units available under its Operating Agreement dated June 15, 2023, and the Managing Members have authorized the issuance of such Units as set forth in the Resolution of the Managing Members of the Company dated June 15, 2023, and in a form as demonstrated by a copy of Unit Certificate Number 12 attached hereto as Exhibit A.

WHEREAS the Company is eligible to receive certain investment tax credits ("ITCs") under the Federal Inflation Reduction Act by virtue of the construction of the HREC conversion facility located in Colusa, California (the "Conversion Facility").

WHEREAS the Company qualifies for certain ITCs under the Federal Inflation Reduction Act and has taken such acts as necessary and sufficient to satisfy the IRS safe harbor requirement and other general qualifications for Company to qualify and to file for and claim the ITCs, and therefore the Company intends to file a tax return for the tax year 2023 to claim ITCs available under the Federal Inflation Reduction Act.

WHEREAS, the Company desires, under the Direct Pay Option through the IRS vetting process Company to designate the City as the recipient of the ITCs, and the City agrees to receive and distribute the ITCs upon receipt according to the formula set forth in Exhibit B attached hereto.

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

SECTION 1: EXERCISE OF OPTION

1.1 Exercise of Option. The City hereby exercises its right to acquire a 12.5%-unit interest in the Company pursuant to the Option Grant, and as allowed by Company's Operating Agreement and as authorized by the Managing Members of the Company in a Unit Certificate identical to a copy of such Unit Certificate as Exhibit A attached hereto. Company shall issue said Unit Certificate within 10 business days of the execution of this Agreement and the passage of Resolution Number ___ of the City Council of City, authorizing the City Manager of City to enter into this Agreement.

SECTION 2: COLLECTION AND DISBURSEMENT OF ITCs

2.1 Filing for ITCs. The Company shall file a tax return for the tax year 2023 to claim the ITCs available under the Federal Inflation Reduction Act for the construction of the HREC conversion facility.

2.2 Designation of Recipient. The Company shall designate the City as the recipient of the full amount of the ITCs, that Company is entitled to receive because of the construction of the HREC conversion facility located in Colusa CA.

2.3 Disbursement of ITCs. Upon receipt of the ITCs, the City shall distribute the ITCs according to the formula set forth in Exhibit A.

SECTION 3: INSURANCE

3.1 Certificate of Insurance. The Company shall, at its cost and expense, obtain a certificate of insurance that insures the Company and the City for any liability to the United States government, the United States Treasury, or the Internal Revenue Service for the recapture of any and all ITCs that the City has received pursuant to Section 2 above, because of the failure to complete the Conversion Facility.

SECTION 4: MISCELLANEOUS

4.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

4.2 Entire Agreement. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements and understandings of the parties in connection therewith.

4.3 Amendment. This Agreement shall only be amended in writing and signed by both parties.

4.4 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

4.5 Severability. If any provision of this Agreement is held to be invalid or unenforceable for any reason, the remaining provisions will continue in full force without being impaired or invalidated in any way.

4.6 Notices. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally, sent by registered or certified mail, return receipt requested, or sent by a nationally recognized overnight delivery service, to the addresses set forth below or to such other address as either party may designate by notice in accordance with this Section.

4.7 Waiver. No waiver of any term, provision, or condition of this Agreement, whether by conduct or otherwise, in one or more instances, shall be deemed to be, or construed as, a further

or continuing waiver of any such term, provision, or condition, or as a waiver of any other term, provision, or condition of this Agreement.

4.8 **Force Majeure.** Neither party shall be liable for any failure or delay in performing any of its obligations under this Agreement (other than the payment of money) if such failure or delay is due to any cause beyond the reasonable control of such party, including, but not limited to, acts of God, war, strikes, labor disputes, civil disturbances, government regulations, or any other cause beyond the control of the party whose performance is affected.

4.9 **Arbitration.** Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by binding arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The place of arbitration shall be the within the state of California.

4.10 **Confidentiality.** The parties agree to keep confidential the terms of this Agreement and any proprietary information disclosed by either party in connection with the performance of this Agreement, except as required by law or as necessary to enforce the terms of this Agreement.

4.11 **Headings.** The headings used in this Agreement are for convenience only and shall not affect the interpretation of any of the provisions hereof.

4.12 **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

4.13 **Further Assurances.** Each party agrees to perform any further acts and execute and deliver any further documents that may be reasonably necessary to carry out the provisions of this Agreement.

4.14 **Relationship of the Parties.** Nothing contained in this Agreement shall be deemed or construed as creating a joint venture or partnership between any of the parties hereto. No party is by virtue of this Agreement authorized as an agent, employee, or legal representative of any other party. No party shall have the power to control the activities and operations of any other party and their status is, and always will continue to be, that of independent contractors with respect to each other. No party shall have any power or authority to bind or commit any other party.

4.15 **Survival.** The representations, warranties, covenants, and agreements of the parties contained herein shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

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

Robert Norman, Managing Member of BC&E USA COLUSA 1 LLC

Jesse Cain, City Manager, an Authorized Officer of the City of Colusa, California



bceusaone.com

**BC& E USA Colusa 1 LLC 802 N Irwin Street, Suite 204
Hanford, CA 93230
Fax 599 582-2837**

To: The City of Colusa City Council

RE: Hybrid Renewable Electric Energy Power Purchase Agreement (HREEPPA) and commitment by BC&E USA Colusa 1, LLC (BC&E) to transfer a 12.5% membership stake in BC&E to the City of Colusa.

BC&E has been negotiating with the City Manager, Jesse Cain, for more than a year to strategically partner to bring renewable electric energy to Colusa in sufficient quantity that allows for Colusa to become an independent Utility and provide for the electrical needs of the City of Colusa. BC&E has agreed to transfer an ownership stake to the City of Colusa as consideration for executing the HREEPPA as well as providing its biosolids for conversion to the BC&E facility as well as partner with BC&E to enhance the value of Carbon Credits via sequestration on a portion of the City of Colusa's property.

The City of Colusa has under consideration a proposal from BC&E to enter into a HREEPPA that has a number of considerable benefits to both the City of Colusa and to BC&E. In order to make this proposal both attractive and beneficial to the City of Colusa, the parties have negotiated a transfer of 12.5% ownership stake in BC&E (legally referred to under California Law as a "membership interest") after the HREEPPA been duly approved by the City Council of the City of Colusa and executed by both parties.

The undersigned, as general counsel of BCE LLC confirms that the Members and Managers of BC&E have the authority to transfer such 12.5% membership interest in BC&E and will deliver a duly authorized Resolution of the Members and Manager of BC&E authorizing such transfer, upon passage by the City Council of Colusa of the Resolution to authorize the City Manager to execute and sign the HREEPPA with BC&E as negotiated, and described above.

It is the understanding of the Managers of BC&E that the transfer of such 12.5% membership stake is a lawful undertaking, and that such transfer will facilitate the construction and operation of the HREE facility, which will provide the city additional electricity from a renewable resource, address the biosolids of the City of Colusa, and can be a feedstock source for the HREE and create value for land owned by the City as a Carbon Sequestration property and have ownership interest in a viable renewable energy LLC.

Thank you for your consideration of this matter, and please let BC&E know if you have further questions or would like additional assurances with regard to the HREEPPA or the construction and operation of the facility itself.

Brian Halloran,

General Counsel, BCE LLC



05/08/2024

Robert Norman
Managing Member
BC&E USA Colusa 1, LLC
802 N Irwin ST, Suite 204
Hanford, CA 93230

Dear Mr. Norman,

We are currently working with Amwins to provide BC&E with recapture insurance as relates to the Federal Tax Credits that are associated with the BC&E Project to be built in Colusa, CA.

Our Company has engaged Leo Berwick as requested by Amwins to provide an independent 3rd party evaluation of the risk of providing the recapture insurance that BC&E has requested. We believe that Amwins will issue a letter of commitment to issue recapture insurance once has completed their evaluation and provided it to Amwins.

We anticipate that this should be completed in the next week.
If you have any further questions, please do not hesitate to contact me.

Sincerely,



JP Holeman, CIC
Sales Manager, Account Executive-Commercial/Employee Benefits
Lic# 0K31597
1715 N. 11th Ave | Hanford, CA 93230
P: 559-584-3391 | F: 559-584-6262 | C: 858-864-7538

BC&E Colusa 1		2024	2025	2026	2027	2028	2029	2030
Starting Cash	\$ -	\$ 842,104	\$ 672,157	\$ 12,883,150	\$ 25,219,475	\$ 37,684,892	\$ 45,016,642	
Bank-Loan	\$ -	\$ 50,000,000						
Equity from Direct Pay	\$ 32,000,000	\$ -						
Carbon Credits	\$ -	\$ 294,874	\$ 965,829	\$ 994,804	\$ 1,024,648	\$ 1,055,387	\$ 1,087,049	
Tipping Fee	\$ -	\$ 48,263	\$ 321,750	\$ 331,403	\$ 341,345	\$ 351,585	\$ 362,132	
Carbon Char	\$ -	\$ 1,472,000	\$ 4,147,200	\$ 4,271,616	\$ 4,399,764	\$ 4,531,757	\$ 4,667,710	
Electricity Sales	\$ -	\$ 1,766,400	\$ 5,529,600	\$ 5,695,488	\$ 5,866,353	\$ 6,042,343	\$ 6,223,614	
Total Revenue	\$ -	\$ 3,581,537	\$ 10,964,379	\$ 11,293,310	\$ 11,632,110	\$ 11,981,073	\$ 12,340,505	
Expenses (Adjusted for Inflation)								
Biomass Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounting & Legal	\$ 120,000	\$ 120,000	\$ 123,600	\$ 127,308	\$ 131,127	\$ 135,061	\$ 139,113	
Maintenance	\$ -	\$ 50,527	\$ 252,636	\$ 260,215	\$ 268,022	\$ 276,062	\$ 284,344	
Labor and Consumables	\$ -	\$ 338,717	\$ 1,359,400	\$ 1,400,182	\$ 1,442,187	\$ 1,485,453	\$ 1,530,017	
Insurance	\$ -	\$ 76,575	\$ 382,875	\$ 394,361	\$ 406,192	\$ 418,378	\$ 430,929	
Propane / Natural Gas	\$ -	\$ 71,280	\$ 356,400	\$ 367,092	\$ 378,105	\$ 389,448	\$ 401,131	
Structure, Consulting, Escrow	\$ 175,000	\$ 26,801	\$ 134,006	\$ 138,026	\$ 142,167	\$ 146,432	\$ 150,825	
Professional Fees/ Commission	\$ 4,750,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1-APS 8tpd/EPC-HC	\$ 13,998,365	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1-APS 40tpd/EPC-SteamT/Boiler/Dry	\$ 38,938,298	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1-1MW Solar-Pirelli & Niagra	\$ 6,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Equipment-servicing feedstock	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1-Spanner Re 60tpd Turnkey	\$ 37,171,226	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Pirelli Bldg 1 Lease & Upgrades	\$ 4,800,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Land Niagra 7.6 acres	\$ 950,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Expenses	\$ 108,902,889	\$ 683,901	\$ 2,608,917	\$ 2,687,185	\$ 2,767,800	\$ 2,850,834	\$ 2,936,359	
Sum of Non-TPD Expenses	\$ 545,000	\$ 683,901	\$ 2,608,917	\$ 2,687,185	\$ 2,767,800	\$ 2,850,834	\$ 2,936,359	
EBITDA	\$ (545,000)	\$ 2,897,636	\$ 8,355,462	\$ 8,606,126	\$ 8,864,310	\$ 9,130,239	\$ 9,404,146	
Senior Debt Interest	\$ -	\$ (2,500,000)	\$ (5,000,000)	\$ (5,000,000)	\$ (5,000,000)	\$ (5,000,000)	\$ (5,000,000)	\$ (5,000,000)
Construction Debt Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Depreciation	\$ (10,533,262)	\$ (21,066,524)	\$ (21,066,524)	\$ (21,066,524)	\$ (21,066,524)	\$ (21,066,524)	\$ (21,066,524)	\$ (21,066,524)
EBT	\$ (11,078,262)	\$ (20,668,888)	\$ (17,711,062)	\$ (17,460,398)	\$ (17,202,214)	\$ (16,403,023)	\$ (15,642,378)	\$ (14,884,878)
Tax Credits (ITC)	\$ 52,951,444	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes State and Federal	\$ 5,539,131	\$ 10,334,444	\$ 8,855,531	\$ 8,730,199	\$ 8,601,107	\$ 8,476,015	\$ 8,350,923	\$ 8,225,831
Senior Debt Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Preferred Equity Payout	\$ 10,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Preferred Equity Payout City of Colusa	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Levered FCF	\$ 842,104	\$ 672,157	\$ 12,883,150	\$ 25,219,475	\$ 37,684,892	\$ 45,016,642	\$ 47,218,715	\$ 49,420,790
Cumulative \$-Loan,Equity,TaxB,Profit	\$ 59,332,679.50	\$ 69,497,176.17	\$ 90,563,700.17	\$ 111,630,224.17	\$ 132,696,748.17	\$ 143,230,010.17	\$ 143,230,010.17	\$ 143,230,010.17
Assumptions:								
1. Total Cost of Project	\$ 108,902,888.52							
2. Total Senior Debt	\$ 50,000,000.00							
3. Equity Principals & Success Fees	\$ 30,902,888.52							
4. Direct Pay Of Tax Credits	\$ 32,000,000.00							
5. Carbon Credits	based on megawatt hours produced multiplied by current market price of \$29 per megawatt/hr							
6. Tipping fee	based on 100 tons per day at \$15 per ton							
7. Carbon Char	based on 16 tons per day at \$.40 per pound							
8. Electricity sales	based on 5MW generated per hour with 4MW exported and 1MW used for parasitic load at \$160 per MW/hr per the PPA with the City of Colusa							
9. Labor	based on 25 full time employees							
10. Assumed Interest with Bank	10% per annum however it will be based on 4% over the US 10 year Treasury							

Wayne E Herling

3391 Mendenaro Ct
Fallbrook, CA, 92028
(760)-214-1367
wherling@sbcglobal.net

PROFESSIONAL EXPERIENCE

APS IP Holding, LLC

Member and Licensed Developer September 2012 – Present

- Coordinated and completed the Permit to Construct of and 8 ton per day conversion technology in Sacramento, CA.
- Coordinated and completed the testing of the 8 ton per day conversion technology
- Received a Permit to Operate the 8 ton per day technology July 2014, a first in CA

Chairman of Escondido Adventist Academy Building Committee

November 2004-June 2009

- Negotiated the sale of EAA to Lexus of Carlsbad
- Coordinated and supervised the planning and permitting of the new campus of EAA
- Coordinated and supervised the offsite improvements for the construction of EAA
- Worked with Hilburs Construction to complete the construction of EAA

Cabazon Power, Inc

Owner, June 1991 – August 1998

- Purchased a windfarm in Cabazon, CA through bankruptcy in 1991.
- Repowered the windfarm and operated it until it was sold in August 1998

Wherl, Inc.

Owner, January 1985-1991

- Purchased and sold Wind Turbine Generators
- Purchased assets from Windtech Bankruptcy and operated its windfarm
- Combined with Cabazon Power, Inc. in 1991.

William Whalen, CPA

January 1984-December 1985

- Employed by William Whalen to do tax accounting and auditing
- Research of tax shelters and determined wind energy was one of best available
- Sold wind turbines to clients of William Whalen

EDUCATION

Loma Linda University, La Sierra Campus, Riverside, CA

Bachelor of Science in Accounting, December 1983

- Honored Alumnus of the School of Business 2009



HERLING CONSTRUCTION INCORPORATED (HCI) Specializes in Wind Energy- Construction, Decommissioning and Services; we have positioned ourselves to benefit many corporations in the industry. With having removed over 6,000 wind turbines to date and assisted in the development of over 80 wind plants of various size for many of the big conglomerates in the industry, as well as a few of the smaller but no less important companies, operating in various locations around the nation. HCI Believes it can further the success of many more projects, while continuing to enlarge its portfolio. HCI's Owners and key Managers have been involved in every facet of the industry since its adolescence which really exploded in the early 1980's.

Jerry Herling: Has been in the Wind Industry for 37 Years, He is licensed as a General Engineering Contractor in, CA, AZ, OR, NM, ID, SD, WA, HI, and is registered in PA, OK, TX, WY, IL, and CO. He has been involved with removing over 6,000 WTGs and the direct installation, or assistance of installation, for another 3,000. Whether its Building roads, installing foundations, or Complete Turbine Installation, He has been involved with every facet of the industry. As the President and Chief Operating Officer of HCI, he is involved in all aspect of the companies' operations and doing so he utilizes the help of his Key Persons to accomplish great achievements making HCI the number one decommissioning contactor in the United States.

Rick Herling: has been involved in multiple construction and decommissioning jobs; from California to Pennsylvania over the past 20 years. His Decommissioning experience started back in the early 1990s with the dismantling of section 28 and the repowering of the Cabazon Wind site in Cabazon, CA. After getting a BS in business at CSUSM, in San Marcos, CA he managed a 300-turbine decommissioning job removing the old Flo Wind site on Cameron Ridge located in Tehachapi, CA for JHCI and Florida Power and Light. Following this he was involved in many other construction projects for a handful of companies with his brother Jerry. As Partner and the Vice President of HCI: Rick is involved in the directional decisions of the company and works alongside the team to help to achieve their succusses in the daily operations of the company.

Other key Personnel:

Randy Barnes: HCI's Senior Project Manager; has lead teams for over 35 years and came to us from Leeward Energy. He is instrumental in the multiple directions and the different industries in which HCI is currently involved.

Rey Verdugo: Project manager, with over 30 years' experience specializing in WTG Foundations. From Concrete to Cranes he is vital to the companies successes in multiple projects

Enrique Villa: is our Decommissioning Project Manager; he has been with HCI for 25 Years- Involved with the success of the majority of our Decommissioning projects.

Joey Grimes: Project Manager: Specializes in Civil Design and worked with SCE for 20 years prior to his decision to join our team.



Anthony Gutierrez: Project Manager: specializes in our Services Team. He handles most of our work from the base bolts up. If there is a problem that can't be handled by most companies, they call HCI, and he is the man that fixes it.

HCI takes pride on quality work enveloped in safety. We are a firm that believes in Family Values. We understand that we go to work with our loved ones at heart and with self-preservation in mind. Coming home in one piece, with a clear mind makes for a quality life at home. And this Ideology starts at the top and is emphasized throughout our work force.

JHC / HERLING CONSTRUCTION

WIND ENERGY PROJECTS COMPLETED

1. MANAGED SECTION 28 AND CABAZON WIND 1986-1995
2. SECTION 28 PALM SPRINGS RECLAMATION, PALM SPRINGS CA 1995 40 MW
3. EASTWINDS 17MW, ROADS, HV ELECTRIC
4. CABAZON WINDFARM, MANAGED AND REPOWERED 40 MW
5. CABAZON WINDFARM, 40 MW REPOWER FOR, HV ELECTRIC, SITE SUPPORT
6. CAMERON RIDGE 50 MWT, SITE RECLAMATION REMOVAL OF 400 + TURBINES AND FOUNDATIONS, INSTALLING HV ELECTRIC WITH JMS ELECTRIC
7. PACIFIC CREST 50 MW SITE RECLAMATION REMOVAL OF 100 TURBINES AND FOUNDATIONS, INSTALLING HV WITH JMS ELECTRIC
8. FOOTE CREEK 4.28 MW, HV ELECTRIC WITH JMS ELECTRIC
9. SOUTHWIND 40 MW, ROADS, HV ELECTRIC SITE RECLAMATION
10. CATELLUS, MOUNTAIN VIEW 1 AND 2, 65 MW, ROADS, HV ELECTRIC, FOUNDATION EXCAVATION
11. GREEN POWER, 20 MW, HV ELECTRIC WITH JMS
12. VICTORY GARDENS, , HV WITH JMS
13. ROCK RIVER 1, 40 MW, HV WITH JMS
14. ALTAMONT, SITE RECLAMATION
15. WHITE WATER, HV WITH JMS
16. CABAZON WIND FARM, HV WITH JMS
17. 19 STORMMASTERS COMPLETE
18. ARBUTUS, 2, 8 MW, RECLAMATION, ROADS, HV WITH JMS, FOUNDATION EXCAVATION
19. SUMERSET PA. HV WITH JMS
20. MAINTAIN SKY RIVER ROADS, TEHACHAPI
21. MAINTAIN ROADS, PALM SPRINGS
22. HOUSE NEW MEXICO, 204 MW PROJECT. BUILT 31.1 MILES OF NEW ROADS 136 CRANE, TURBINE PADS AND FOUNDATION EXCAVATION.
23. 15.6 MW PROJECT AT NINE CANYON COMPLETE CIVIL.
24. COMBINED HILLS MILTON FREEWATER OREGON, ROADS & HARDSTANDING MV ELECTRICAL
25. CRESCENT RIDGE LLC ROADS AND HARD STANDINGS, MV ELECTRICAL. FOUNDATION EXCAVATION
26. HOPKINS RIDGE LLC ROADS AND HARDSTANDINGS MV ELECTRICAL FOUNDATION EXCAVATION
27. WILDHORSE ROADS AND HARDSTANDINGS. FOUNDATION EXCAVATION
28. COWBOY WIND, ROADS, CRANES HARDSTANDING AND MV ELECTRICAL
29. NINE CANYON PHASE 2 ROADS AND HARDSTANDING.
30. WHITECREEK ROADS AND HARDSTANDINGS.

COMPLETED FOR:

- WHERL INC.
- WHERL INC.
- SEAWEST WP
- CABAZON POWER
- ZOND ENERGY
- FPL/RES
- FPL/RES
- SEAWEST WYOMING
- SEAWEST WINDPOWER
- SEAWEST WINDPOWER
- ZOND CONSTRUCTORS
- ZOND CONSTRUCTORS
- SEAWEST WINDPOWER
- GREENRIDGE POWER
- CANNON POWER
- FPL
- AK APPLIED SCIENCES
- CALWIND
- CALWIND/DRESSEL
- FPL
- FPL
- ENXCO
- FPL ENERGY GROUP
- RES
- EURUS
- EURUS
- RES
- RES
- FPL
- RES
- RES



31. BUFFALO GAP III FOUNDATION EXCAVATION (NELSON ENGINEERING)	
32. SOUTH TRENT ROADS AND HARDSTANDINGS, FOUNDATION EXCAVATIONS	RES
33. MOUNTAIN WIND 1 AND 2, ROADS AND HARDSTANDINGS, MV ELECTRICAL.	RES
34. WINDY POINT, ROADS AND HARDSTANDINGS, TRENCHING AND CABLE INSTALLATION.	CANNON ENERGY
35. WINDY FLATS ROADS AND HARDSTANDINGS, TRENCHING AND CABLE INSTALLATION.	CANNON ENERGY
36. HOCTOR DAVENPORT ROADS AND HARDSTANDINGS. TRENCHING AND CABLE INSTALLATION.	CANNON ENERGY
37. MARY HILL, ROADS AND HARDSTANDINGS, TRENCHING AND CABLE INSTALLATION.	CANNON ENERGY
38. WINDY FLATS 2A, ROADS AND HARDSTANDINGS, TRENCHING AND CABLE INSTALLATION.	CANNON ENERGY
39. PALM SPRINGS WIND FARM. INSTALLATION OF 27,000 FEET OVE MV CABLE FOR NEW TURBINES.	SYSTEM 3, NEXTERA MOZART WIND
40. , TX, EXCAVATION OF 12 FOUNDATIONS FOR DRESSEL/WKN	
41. KING MOUNTAIN, TX. EXCAVATION OF 3 FOUNDATIONS AND SETTING OUTER CMP.	BROADWIND/NEXTERA
42. KING MOUNTAIN, TX. INSTALLATION OF DLO CABLE AND REPLACEMENT OF 3 TRANSFORMERS FOR 3 GE 1.5 TURBINES.	BROADWIND/NEXTERA
43. WAGNER WIND, CA. ROADS, HARDSTANDING, FOUNDATION EXCAVATION SWPP, DUST CONTROL.	DRESSEL/WKN
44. WPP-91 CA. DECOMMISSIONING OF 74 US WINDPOWER TURBINES, FOUNDATION REMOVAL, RECLAMATION.	FPL
45. NESTLE, FOUNDATION EXCAVATION FOR 2 TURBINES,	SPANDA/WORLDWIND
46. ROBERTSON READY MIX, ROADS, HARDSTANDINGS, DUST CONTROL, SWPP, FOUNDATION EXCAVATION.	SPANDA, WORLDWIND
47. DECOMMISSIONING OF DELAWARE MOUNTAIN AND WPP-94,	NEXTERA ENERGY
48. SOUTHWEST MESA, COMPLETE INSTALLATION OF (2) RRB 600 WTG- INCLUDING FOUNDATION, TOWER, TURBINE AND ELECTRICAL	NEXTERA ENERGY
49. NEW MEXICO WIND CENTER, COMPLETE INSTALLATION OF GE 1.7 XLE WTG- INCLUDING FOUNDATION, TOWER, TURBINE AND ELECTRICAL	NEXTERA ENERGY
50. HIGH WINDS LLC, COMPLETE INSTALLATION OF GE 1.7 XLE WTG- INCLUDING FOUNDATION, TOWER, TURBINE AND ELECTRICAL	NEXTERA ENERGY
51. MILL RUN LLC, NEX COMPLETE INSTALLATION OF GE 1.7 XLE WTG- INCLUDING FOUNDATION, TOWER, TURBINE AND ELECTRICAL	NEXTERA ENERGY
52. ALTAMONT CLUSTER DECOMMISSIONING OF 489 KVS 56/100 TURBINES	NEXTERA ENERGY
53. DECOMMISSIONING OF 106 WINDCON 110 AND NORDTANK 65 WESTWINDS	OGIN
54. SOUTHWEST MESA INSTALLATION OF RRB 600 TURBINES	NEXTERA ENERGY
55. HAWAII, 5 P&H FOUNDATIONS	SITE CONSTRUCTORS
56. FLOOD DAMAGE ON 12 SITES IN TEXAS AND OK FOR INSURANCE CLAIM	NEXTERA ENERGY
57. SUBSTATION REPAIR	LEEWARD ENERGY
58. 4.5 MILES ROAD REPAIR SWEETWATER 1,2,3	LEEWARD ENERGY
59. COMPLETE REPLACEMENT GE 1.5 WITH GE 1.7 XLE, NM CENTER,	NEXTERA ENERGY
60. REMOVAL OF 289 VESTAS V-17 WTGs ALTAMONT PASS.	S-POWER
61. REMOVAL 450 WINDMATIC 108 TURBINES. ALTAMONT PASS.	S-POWER
62. DECOMMISSIONING BUFFALO RIDGE WINDFARM 79, KVS 33,	NEXTERA ENERGY
63. DECOMMISSIONING 200 NORDTANK 65 WTG, WESTWINDS NORTH PS, CA	OGIN ENERGY
64. DECOMMISSIONING MENDOTA HILLS WIND FARM, 63 GAMESA G-52 TURBINES AND FOUNDATIONS,	LEEWARD ENERGY
65. DECOMMISSIONING 200 TURBINES ALTAMONT PASS,	CENTARI
66. DECOMMISSIONING 17 VESTAS V-47 WOODSTOCK WIND FARM,	WANZEK
67. DECOMMISSIONING 14 VESTAS V-47 LINCOLN WINDFARM,	BOLDT
68. INSTALLATION 8 P&H FOUNDATIONS FOR SITE CONSTRUCTORS HAWAII	AES



- | | |
|---------------------------------------------------------------------------------------------------------|--------------------|
| 69. GOODNOE HILLS REPOWER 48 REPOWER WIND TURBINES, | IEA / PACIFIC CORP |
| 70. COMPLETE DECOMMISSIONING OF 1100 MICON 108 WTG- PS, CA | TERRAGEN |
| 71. REMOVAL OF 108; VESTAS V-80 WTG NACELLES | WANZEK/PACIFIC COR |
| 72. COMPLETE DECOMMISSIONING OF 430 TURBINES, TEHACHAPI, CA. | TERRA GEN |
| 73. COMPLETE DECOMMISSIONING SOUTHWEST MESA, 105 MICON 750 WTG | NEXTERA ENERGY |
| 74. COMPLETE DECOMMISSIONING OF 108 MITSUBISHI MWT 2.4 WTG, SARITA, TX | MORTENSON/PATTERN |
| 75. CIVIL CONSTRUCTION ROADS AND HARDSTANDING | SCI PALM SPRINGS, |
| 76. COMPLETE DECOMMISSIONING OF 50 V-90 WTGS, FORT STOCKTON, TX | CASTLETON COM INC. |
| 77. FOUNDATIONS AND FIBER OPTIC INSTALLATION LANGDON WIND FARM
AND ASHTABULA WINDFARM NORTH DAKOTA | NEXTERA ENERGY |
| 78. COMPLETE DECOMMISSIONING OF 93 MWT 600 WTG; PALM SPRINGS, CA | AES WIND |
| 79. TURBINE REMOVAL OF 69 GE 1.5 TURBINES; TOMBSTONE, MN | MORTENSON |
| 80. 20 MILES OF ROAD REPAIR AND UP GRADES AT WEST WINDS, COACHELLA
WIND FARM & PAINTED HILLS; PS, CA | TERRAGEN |
| 81. FULL DECOMMISSIONING OF 160 MWT 1000, WTGs
BRAZOS WIND FARM FLUVANNA, TX: | IEA, SHELL |
| 82. REPOWER: STATELINE WIND PROJECT 479: V-47 WIND TURBINES | NEXTERA ENERGY |



Richard A. Horn

*Site Constructors, Inc.
President - Chief Operating Officer*



EDUCATION

Chico State - Chico, CA
Butte College - Oroville, CA

EMPLOYMENT HISTORY

Eagle Construction
Guy F. Atkinson Company
Axel Johnson Engineering
Site Constructors, Inc.

SUMMARY

With my experience, I bring over 40 years of hydro, wind, solar, and biomass power generation related experience, and as President and Chief Operating Officer of Site Constructors, Inc., my versatility knowledge, and conscientious endeavors have assured Site Constructors, Inc. its recognition in the industry. I am currently responsible for the finance, marketing, engineering, estimating, scheduling, and planning of daily operations.

EXPERIENCE

Since 1976 I've acted as Supervisory/Management developing and focusing on systems and methods which ultimately led to the success of, both operational and financial, installation of many renewable related projects.

During tenure at Axel Johnson Engineering Corporation, I developed successful implementation of field service work as Manager of AJEC Site Services Division. In this capacity, I made crucial decisions regarding safety plans, selection, hiring, and supervision of site engineers who were capable of receiving direction and acting out instructions in a competent manner. Effective coordination with Project Management, Purchasing, and Senior/Executive Management was the root cause for our department's success.

Since 1985, I have owned and operated Site Constructors, Inc., a renewable energy company involved in the development, construction, and maintenance of hydro, wind, solar, and biomass projects, along with battery back-up systems. I currently continue to run the day-to-day operations and a leader in renewable energy standards and goals. Site Constructors, Inc has performed over 550 MW of wind, more than 7,000 MW of hydro, 120 MW of solar, and over 55 MW of battery storage.



**Completed Project List
under the direction of Richard Horn**

DATE	PROJECT NAME	STATE		DESCRIPTION	OWNER	CONTACT
1980	Rollins Lake	CA	V. Francis		Nevada City Irrigation District	Richard Horn - Axel Johnson
1980	Rollins Lake	CA	V. Francis		Nevada City Irrigation District	Howard Horn - Shirley Co.
1981	Pyramid Lake	CA		6-Jet Impulse Machines, (2) 96" TSV, (2) 65,000 hp	DWR	Howard Horn - Shirley Co.
1982	Hamakua	HI	H. Semi-Kaplan		Hawaiian Commercial & Sugar	Richard Horn - Axel Johnson
1982	Olokele	HI	H. Francis		Olokele Sugar Co.	Richard Horn - Axel Johnson
1982	Potsdam	NY	V. Semi-Kaplan		Village of Posdam	Richard Horn - Axel Johnson
			H. Francis			
1982	Indian Valley	CA	H. Turgo		Yolo County Flood Control	Richard Horn - Axel Johnson
1982	Garland Canal	WY	H. Semi-Kaplan		Shoshone Irrigation Dist.	Richard Horn - Axel Johnson
1982	Capitola	NC	H. Kaplan		French Broad Electric Cooperative	Richard Horn - Axel Johnson
1982	Point Loma	CA	V. Francis		City Of San Diego	Richard Horn - Axel Johnson
1982	Mt. Ida	NY	H. Francis		Mt. Ida Associates	Richard Horn - Axel Johnson
1982	Garfield	VT	H. Francis		Morrisville Water & Light	Richard Horn - Axel Johnson
1983	Merrill	WI	H. Kaplan		Wisconsin Public Service	Richard Horn - Axel Johnson
1983	Port Leyden	NY	H. Kaplan		Cataldo HydroPower Assoc.	Richard Horn - Axel Johnson
1983	Rock Island	NY	H. Kaplan		Cataldo HydroPower Assoc.	Richard Horn - Axel Johnson

1983	Fairfield Canal	CA	H. Kaplan	Turlock Irrigation District	Richard Horn - Axel Johnson
1983	Canal Creek	CA	H. Kaplan	Turlock Irrigation District	Richard Horn - Axel Johnson
1983	R.W. Matthews	CA	H. Francis	Humbolt Bay Mun. Water Dist.	Richard Horn - Axel Johnson
1983	Drop 1	CA	H. Kaplan	Imperial Irrigation Dist.	Richard Horn - Axel Johnson
			H. Francis		
1983	Lake Mendocino	CA	H. Francis	City Of Ukiah	Richard Horn - Axel Johnson
1983	Unionville	NY	H. Kaplan	Potsdam Power Partnership	Richard Horn - Axel Johnson
1983	Hewittville	NY	H. Kaplan	Potsdam Power Partnership	Richard Horn - Axel Johnson
1983	Sultan River Basin	WA	6-Jet Impulse Machines, 2 horizontal shaft 10 MW machines, (2) 96" TSV	Snohomish County PUD	Howard Horn - Shirley Co.
1983	Kents Falls	NY	V. Francis	New York State Electric & Gas	Richard Horn - Axel Johnson
1983	Fort Miller	NY	H. Pit Kaplan	Fort Miller Assoc.	Richard Horn - Axel Johnson
			V. Francis		
1983	Stampede	CA	V. Francis	Bureau of Reclamation	Richard Horn - Axel Johnson
1983	Mirimar	CA	H. Francis	San Diego Water Authority	Richard Horn - Axel Johnson
1983	Alvarado	CA	H. Francis	San Diego Water Authority	Richard Horn - Axel Johnson
1983	Bowman	CA	H. Francis	Nevada City Irrigation District	Richard Horn - Axel Johnson
1983	Valley Falls	NY	H. Pit Kaplan	William Bantz	Richard Horn - Axel Johnson
1983	Clement Dam	NH	H. Kaplan	Seaward Constuction	Richard Horn - Axel Johnson
1984	Whitewater	CA	H. Francis	Desert Water Agency	Richard Horn - Axel Johnson
1984	Logan No. 2	UT	H. Francis	City of Logan	Richard Horn - Axel Johnson
1984	Stenner Canyon	CA	H. Pelton	City of San Luis Obispo	Richard Horn - Axel Johnson
1984	Owyhee	OR	H. Francis	Owhee Irrigation District	Richard Horn - Axel Johnson

1984	Farmers No. 2	OR	H. Francis	Farmers Irrigation District	Richard Horn - Axel Johnson
			H. Francis	Hood River	Richard Horn - Axel Johnson
1984	Lower Camp Creek	CA	H. Pelton	Solar Research	Richard Horn - Axel Johnson
1984	Pyrites	NY	H. Francis	Hydra-Co. & Pirites Assoc.	Richard Horn - Axel Johnson
1984	Galesville	OR	H. Francis	Douglas County, OR	Richard Horn - Axel Johnson
1984	Lake Siskiyou	CA	H. Francis	Box Canyon Partnership	Richard Horn - Axel Johnson
1984	Summer Falls Power Project	WA	V. Kaplan, (2) 96" TBV	Grant County PUD	Howard Horn - Shirley Co.
1984	Glen Park	NY	V. Kaplan	Mercer Companies	Richard Horn - Axel Johnson
			H. Pelton		
1984	Middle Fork	OR	H. Francis	Middle Fork Irrigation District	Richard Horn - Axel Johnson
			H. Pelton		
			H. Francis		
1984	San Gabriel Dam	CA	H. Francis	San Gabriel Hydro Partnership	Richard Horn - Axel Johnson
			H. Francis		
			H. Francis		
1984	New Hogan	CA	H. Francis	Modesto Irrigation District	Richard Horn - Axel Johnson
			H. Francis		
			V. Kaplan		
1984	Emporia	CA	V. Semi-Kaplan	Synergics, Inc.	Richard Horn - Axel Johnson
			V. Francis		
1985	Raystown	PA	V. Francis	Allegheny Electric Cooperative	Richard Horn - Axel Johnson
			V. Francis		
1985	Wise No. 2	CA	H. Francis	Pacific Gas & Electric	Richard Horn - Axel Johnson
1985	Weeks Falls	WA	H. Kaplan	South Fork II	Richard Horn - Axel Johnson
1985	Nacimiento	CA	H. Francis	Monterey Flood Control District	Richard Horn - Axel Johnson

1985	Napil River		H. Francis		State of Ponape-Micronesia	Richard Horn - Axel Johnson
			H. Francis			
1985	Warm Springs	CA	V. Francis		Sonoma County Water Agency	Richard Horn - Axel Johnson
1985	Badger 1	CA	H. Francis		Santa Fe Irrigation District	Richard Horn - Axel Johnson
11/84 - 5/85	Stony Gorge Power Plant	CA	Installation of (2) 3.5 MW horizontal Francis turbine/generator sets shutoff valves	60" turbine	City of Santa Clara	Mr. Jerry Walker
5/85 - 11/85	Wolfsen Power Palnt	CA	Installation of (1) 1000 KW, 1850 MM horizontal Kaplan turbine , and generator set, 90" turbine shutoff valve		Sverdrup Corporation	Mr. Jerry Walker
5/85 - 11/85	San Luis Power Plant	CA	Installation of (1) 600 KW, 2500 MM horizontal Kaplan turbine, and generator set, 90" turbine shutoff valve		Sverdrup Corporation	Mr. Jerry Walker
11/85 - 12/85	Pyrites	NY	Installation of (2) 3.5 MW horizontal Francis turbine/generator sets, 48" turbine shutoff vavles		Hydra-Co. Enterprises	Mr. John Cordes
12/85 - 7/86	Lower Camp Creek	CA	Installation of (1) 2 MW Pelton turbine		Solar Research	Craig Crouch - Solar Research
1/87 - 8/87	Lake Nacimiento	CA	Installation of (1) 4.5 MW horizontal Francis turbine/generator set, 66" turbine shutoff valve		Monterey County Flood Control & Water District	Mr. Mohammed Zaman
4/87 - 8/88	Black Butte	CA	Installation of (1) 7.2 MW vertical shaft Kaplan turbine/generator, 120" turbine shutoff valve		City of Santa Clara	Mr. Martin Hopper
6/87 - 11/87	San Gabriel	CA	Installation of (1) 4.2 MW horizontal Francis turbine/generator set, 60" turbine shutoff valve		San Gabriel Hydro Partnership	Mr. Myles Duffy
9/88 - 12/88	Magic Dam	ID	Installation of (3) 3.5 MW horizotal Francis turbine brushless synchronous generators, 72" keystone butterfly valves		Westinghouse Credit Corporation	Niagara Turbine Systems, Inc. Mr. Steve Ingram
2/89 - 1/90	Terminus Dam	CA	Installation of (1) 17.5 MW vertical shaft Kaplan turbine/generator 120' turbine shutoff valve		Kaweah River Power Authority	Doug Miller - American Hydro Bob Treiburg - IES
6/90 - 12/90	Sacramento Pumping Station	CA	Disassemble, refurbish & reassemble (4) 700 hp horizontal shaft pumps		Reclamation District No. 1000	Jim Clifton - RD 1000
9/90 - 1992	Pond Creek	KY	Disassemle, refurbish & reassemble (4) 4700 hp pumping units		U.S. Army Dept. of Engineering	Jim Lampsley
4/91 - 11/91	Forks of Butte	CA	Installation of (1) 16 MW, vertical Pelton turbine/generator set		Energy Growth Partnership	Phil Hoover - H&M Engineering Doug Miller - American Hydro
2/92 - 4/92	Elkhorn, Pritchard & Verona Pumping	CA	Remove and rebuild 5 pumps (1-175hp, 1-125hp, 3-200hp)		Natomas Central Mutual Water Co.	Peter Hughes - NCMWC

Stations

8/91 - 10/94	Mojave Siphon	CA	Installation of (3) 12.5 MW, vertical Francis turbine/generator sets 3' -12' dia. Butterfly valves	Department of Water Resources	Doug Miller - American Hydro
3/93 - 4/93	Appalacia Hydro Powerhouse	TN	Refurbish (2) 144" Butterfly Valves	Tennessee Valley Authority	Bob Balletti - GE Hydro
7/93 - 8/93	South Holston Dam	TN	Replacement of 180" Butterfly Valve under South Holston Lake	Tennessee Valley Authority	Bob Balletti - GE Hydro
3/93 - 12/93	Sacramento Metro Irrigation	CA	Installation of new 75 hp pump, 7' motorized alum. Reg. Gate, 10,000 LF of 24" RCP conduit	County of Sacramento	Peter Hughes - NCMWC
11/92 - 5/93	San Gabriel	CA	disassemble, inspect and repair or replace generator components	San Gabriel Hydroelectric Associates	McGuire & Hester Contractors Joe Hester
2/93 - 8/94	Lighthouse Marina	CA	Assisted in redesign and remanufacture of pumps.	Lighthouse Marina & Riverbend Dev.	Al Fallon
10/93 - 4/94	Terminus Dam	CA	Removed, repaired and replaced leaking turbine shutoff valve scroll case joint seal, modified existing cable terminating & restraining system	Kaweah River Power Authority	Doug Miller - Amer. Hydro, Bob Treiburg - IES
8/94 - 6/95	Rio Bravo	CA	Troubleshoot vib. & stability prob. on (2) 7.5 MW turbine/generator sets	Kern Hydro Partners	Independent Hydro Developers, Inc., Ed Hudson
1996	El Dorado Penstock	CA	Manufacture & Install 800' of welded spiral 5' dia. Steel siphon penstock, thrust blocks and appurtenances	Pacific Gas & Electric	El Dorado Irrigation District, Ferrel Ensign, Ensign & Buckley Bob Balletti - GE Hydro
10/95 - 6/96	El Dorado Powerhouse	CA	Serviced (2) 11.5 MW horizontal Peltons. Rehabilitation of Powerstation	Pacific Gas & Electric	El Dorado Irrigation District, Ferrel Ensign, Ensign & Buckley Bob Balletti - GE Hydro
4/96 - 8/96	Red Bluff Diversion Dam	CA	Assessment, Evaluation & Rehabilitation of (2) 10' dia. X 55' long arcimedes screw pumps	US Bureau of Reclamation	Dalla Linford

9/96 - 11/96	Mojave Siphon	CA	Install (3) 120" Butterfly valves & HCPU	DWR	Bob Balletti - GE Hydro
12/96	Cove Hydro	CA	Replaced & installed hydraulic piping, refurbished cylinders on Pelton turbine	Ida-West Energy Co.	Henry Huber - Ida West
2/97	Cove Hydro	CA	Repair & align penstock	Ida-West Energy Co.	Henry Huber - Ida West
1/97 - 2/97	Silver Springs	CA	Turbine repair and alignment	Mega Renewables	Ed Hudson -Mega Renewables
11/96 - 2/97	Ponderosa Bailey Hydro	CA	Repair & replace thrust bearings and seals, install generator & horizontal Francis Turbine	Ida-West Energy Co.	Henry Huber - Ida West
10/96 - 2/97	Hatchett Creek Hydro	CA	Clean & align generator, recommissioned 4 jet vertical Pelton turbine	Mega Renewables	Ed Hudson - Mega Renewables
6/96 - 4/97	Rio Bravo Hydro Plant	CA	Reinstalled & commissioned generators, re-installed (2) 7.5 MW vertical Kaplans	Kern Hydro Partners	Ed Hudson - Independent Hydro Developers
9/97	Bellagio Hotel	NV	Supervision of installation & testing of underwater stage lifts	Cirque Du Soleil	Steve Ingram - Handling Specialty
8/97 - 9/97	Rio Bravo Hydro Plant	CA	Generator testing, maintenance & cleaning	Kern Hydro Partners	Ed Hudson - IHD
10/97 - 12/97	Rio Bravo Hydro Plant	CA	Tested electrical, stators & generator, refurbished stop logs	Kern Hydro Partners	Ed Hudson - IHD
11/97 - 10/98	Ponnequin Wind Turbines	CO	Installation of 5.25 MW wind project. (7) NEG Micon wind turbines.	Energy Unlimited, Inc.	Mark Dawson - Energy Unlimited
5/98	Rio Bravo Hydro Plant	CA	Replacement of carbon seals, repair motor shaft	Kern Hydro Partners	Ed Hudson - IHD
6/98 - 9/98	Chelan Valves	WA	Valve Installation for (2) 90" butterfly valves	Chelan Coutny PUD #1	Steve Weist - PUD
1/99 - 7/99	Mojave Siphon	CA	Installation of (3) 120" Butterfly Valves with 12" bypass systems	DWR	Pablo Orozco - GE Hydro
1/99 - 4/99	Rio Bravo Hydro Plant	CA	Repaired and replaced coatings and linings for 2 turbines, annual maintenance	Kern Hydro Partners	Ed Hudson - IHD
3/99	Belden Valves	CA	Installation and replacement seats for a 138" Butterfly Valve	PG&E	Difa Shveyd - PG&E
7/99 - 2/00	Blalock Dam	SC	Installation of 108" fixed cone energy dissipating valve & appurtenances	Spartenburg Water District	Pablo Orozco - GE Hydro
8/99 - 12/99	Terminus	CA	Turbine repair and maintenance	Kaweah River Power Authority	Bob Treiburg - IES
12/99 - 5/00	Madera Power Plant	CA	Repair of runner blade assembly	Chowchilla Water - Power Authority	Douglas Welch
12/99	Lawrence Livermore Lab	CA	Installed wire system & set up generator for testing of wiring	Lawrence Livermore National Lab	Steve Ingram - Handling Specialty

11/00 - 5/01	Drop 1 Station	CA	Removal, loading & transport of (1) Shinko 1950 kw generator	Imperial Irrigation Dist.	Pablo Orozco - GE Hydro
11/00 - 12/00	Mojave Siphon	CA	Installation of new locks for TSV 1,2,3 & TBV and limit switch for TBV	DWR	Pablo Orozco - GE Hydro
4/00 - 5/00	Terminus Dam	CA	Turbine repair and maintenance	Kaweah River Power Authority	Bob Treiburg - IES
01/01	New Melones Dam	CA	Tie Rod Modification	Bureau of Reclamation	Richard Welsh - BOR
12/01 - 1/02	Rio Bravo Hydro Plant	CA	Annual Maintenance	Kern Hydro Partners	Ed Hudson - IHD
2/00 - 10/01	Lake Gaillard	CT	Supervision & monitoring of maintenance for (1) cylinder casing Francis Turbine, (1) turbine controller, generator & auxiliary equipment	Regional Water Authority	George Lilya - GE Hydro
4/01 - 8/01	Ponnequin Expansion	CO	Installation of 15 Vestas wind turbines	Vestas-American Wind Technology	Brian Merits - Vestas
01/00 - 7/02	Horse Mesa	AZ	113 MW pump turbine rehabilitation for Unit #4 reversible Francis type pump turbine	Salt River Project	Pablo Orozco - GE Hydro
03/00 - 6/02	Mormon Flat	AZ	60 MW pump turbine rehabilitation for Unit #2 reversible Francis type pump turbine	Salt River Project	Pablo Orozco - GE Hydro
12/01 - 1/02	Southbay Aquaduct	CA	Valve blasting & coating	DWR	Mike Michaels - SY Trading
7/02 - 2/03	La Miel	Columbia	Start up, commissioing, & performance testing for turbines and generators	National Electric Power Co. of Columbia	Sven Goran Bjuhr - GE Energy Sweden
7/02 - 6/03	Mokulumne	CA	Estimating for 10 hydroelectric plants for flow modifications per FERC regulations	PG&E	Ed Hudson - Framatome
07/02	Lake Success	CA	Wicket Gate Repair	Lower Tule River Irrigation District	Wayne Miner
8/02 - 10/03	Madera Power Plant	CA	Turbine Repair	Chowchilla Water - Power Authority	Douglas Welch
9/02 - 10/02	Terminus Dam	CA	Annual Maintenance	Kaweah River Power Authority	Gene Kilgore - KRPA
2/05 - 04/06	Hawi Wind Farm	HI	Installation of 8 Vestas V47-660 Wind Turbines	Hawi Renewable Development, LLC	Bob Treiburg - IES
1/03 - 3/03	Tulloch Dam	CA	Turbine Coating of draft tube and stuffing box	Oakdale and South San Joaquin Irrigation Districts	
2/03	Indian Valley	CA	Valve Seal and Penstock Repair	Yolo County Flood Control	Yolo County Flood Control
5/03 - 1/04	Esti	Panama	Commissioning Work		Sven Goran Bjuhr - GE Energy Sweden
2/03 - 3/03	Caruachi	Venezuela	Commissioning Work		Sven Goran Bjuhr - GE Energy Sweden

3/03 - 5/03	Invergary & Ceannacroc	Scotland	Commissioning Work		Sven Goran Bjuhr - GE Energy Sweden
1/04 - 4/04	Bayano	Panama	Commissioning Work		Sven Goran Bjuhr - GE Energy Sweden
1/04 - 5/04	Lake Success	CA	Recoating & corrosion repair for linings	Lower Tule River Irrigation District	Wayne Miner
04/04	Horse Mesa	AZ	Commissioning Work	Salt River Project	GE Canada
8/04-3/16/05	Beardsley	CA	Turbine Replacement	Tri Dam	Edward J. Kisling
10/04-3/09	Hyatt	CA	Turbine Replacement	DWR	Sam Sublett
11/04-8/05	Puueo	HI	Turbine replacement and retrofit penstock and switch gear to new turbine model	HELCO	Norman Uchida
11/07-3/08	Indian Valley	CA	Turbine & Generator Replacement	Yolo County Flood Control	Jack Sinor
3/08-8//08	Butt Valley	CA	Dismantaled, engineered and disgned 15ft butterfly valve	PG&E	Difa Shveyd - PG&E
7/08-10/08	Kohala Ditch	HI	Penstock Replacement, Flume Repair, Intake Repair, & Control Gates	Surety Kohala	Bill Shontell
8/08-2/10	FSSD	CA	Installation of 4 50kw Entegrity Wind Turbines	Fairfield Susiun Water Dist.	Jane Tindal
12/08-2/10	Poe	CA	Retrofit two 138" Butterfly Valves	PG&E	Difa Shveyd - PG&E
3/10-6/11	Hyatt	CA	Dissambly/Reassembly of Unit 4	DWR	Sam Sublett
10/11-6/12	Wells Dam	WA	Cunsulting Services for onsite QC/Safety Representative	Toshiba	George Lilya - Toshiba International
10/11-10/12	Hawi Battery System		Installation of 1 MW Battery Energy Storage System. (BESS) on the Hawi wind project in conjunction with HELCO for stabilization of As-Available resources on the entire North Kohala section of HELCO's grid	Hawaii Renewable Energy Development, LLC	Jay Temple - HRD, LLC Robert Ewing - Altairmano
2/12 - 3/13	Lower Camp Creek	CA	Turbine Repair	Lassen Station Hydro, LLP	Curt Carlson
3/12-6/12	Rock Creek	CA	Refurbish Penstock Shut-off Valve Unit #2	PG&E	Ron Cooper- PG&E
7/12- 11/12	Lake Mendocino	CA	TSV Overhaul and Penstock Modification	City of Ukiah	
10/12 - 1/13	Waiakola Sanitaion Turbne	HI	Installation of 1 (one) Northern 100 Wind Turbine	Hawaii Water Serivce	HWS01 Wind, LLC
5/12 - 5/13	HREDEV	HI	Installation of an off-grid commercial scale wind/pumpedstorage/ battery platform using a 100 kW Northern wind turbine with grid-forming battery/inverter system and supervisory controls that regulate the pump speed so that the pumping power demand closely tracks the as-available energy output at all times	Kohala Makani Wai, LLC	Fred Brown - Gen-X Energy Development
2/13- 8/13	Lake Nacimiento	CA	Disassembly, repair, start-up,, tesing and commision unit No. 1	Monterey County Water Resource Agency	Brent Buche - MCWRA

2/14 - 5/14	Belden	CA	Replacement of Rubber Disc Seal and Modification for 138" Dia Butterfly Valve TSV	PG&E	Mike Donnelly - Parsons (PG&E)
2/15- 8/31/2016	Coastal II	HI	Engineer, design, and construct installation of one-megawatt ALTI-ESS energy storage on HECO's system to smooth the voltage and load profile with the aid of dynamic voltage controls and fast charge/discharge abilities	HECO	Sam Gillie - HECO Jerry Haverstick - Altairmano
2/15 - 3/10/2016	Coastal III	HI	Installation of an off-grid commercial scale wind/pumpedstorage/ battery platform using a 100 kW Northern wind turbine with grid-forming battery/inverter system and supervisory controls that regulate the pump speed so that the pumping power demand closely tracks the as-available energy output at all times	MECO	
6/13 - 12/1/2017	Lalamilo Wind Farm	HI	Repower existing wind farm to provide renewable wind power for County Water System by installing 5 Vestas V147 Machines	County of HI, Dept. of Water Supply	Quierino Antonio - DWS
9/2015 - 12/2017	Huntingtn Wind Farm	OR	EPC wind energy facility consisting of five (5) seperate 10 MW Faciilites that share a common substation and other Shared Facilities (the 10 MW Benson Creek ("BC"), 10 MW Durbin Creek ("DC"), 10 MW Jett Creek ("JC"), 10 MW Prospector ("PR"), and 10 MW Willow Spring ("WS") wind projects), that when consolidated together are referred to as the "50 MW Huntington Wind Project,"	Benson Creek Wind Farm, LLC Durbin Creek Wind Farm, LLC Jett Creek Wind Farm, LLC Prospector Wind Farm, LLC Willow Spring Wind Farm, LLC	D.E.Shaw
11/1/2016 - 3/31/2021	Na Pua Makani	HI	EPC Wind project consisting of 8 Vestas V136, 3.45 MW Machines in Kahuku, Hawaii	AES	Eric Pendergraft
6/2020 -8/2021	Coachella Windfarm	CA	Repower of an existing 58.8 MW wind power electric generating facility which includes replacing all existing older generation wind turbines with (4) Vestas V112-3.6 MW and (13) Vestas V117, 3.6 MW machines for a total of seventeen (17) new WTGs.	Coachella Wind Holdings, LLC	Cate Simoneau - Terra Gen
6/2020 - 8/2021	Painted Hills	CA	The Project is the repowering of an existing 44.536 MW wind power electric generating facility which includes replacing all existing older generation wind turbines with thirteen (13) new Vestas V112, 3.6 MW WTGs.	Painted Hills Wind Holdings, LLC	Cate Simoneau - Terra Gen
4/2021 - Present	Hale Kuawehi	HI	Installation of 30 MW solar photovoltaic and 120 MWh battery energy storage system	Halw Kuawehi Solar, LLC	Alan Ptak - Innergex Renewable Energy, Inc.

ROBERT LESLIE NORMAN, CPA

802 N Irwin Street, Suite 204, Hanford, CA 93230
 (559) 816-8651 © (559) 582-2854 (o) (559) 582-2837 (f)

EDUCATION:

Bachelor Of Science - March 1983
 Loma Linda University-La Sierra Campus, Riverside, CA
 Double Major: Accounting, Business
 Administration/Finance

Certified Public Accountant - 1990
 Certificate Number - 56605

Residential Care Facility For The Elderly - Administrator
 State Of California
 April 1997 - Certificate Number 5517791740

Private Pilot – March 2004
 Multi-Engine Rating, Instrument

WORK EXPERIENCE:

March 1990 - Present

Robert L. Norman - Certified Public Accountant
 Owner/Managing Partner
FACT Enterprises
Financial Accounting Computer Technologies

Tax Preparation – Personnel, Corporation, Partnerships,
 Non-Profit, Financial Statement Preparation, Management
 Overview, Training, Consultant to Assisted Living
 Facilities, Medical & Dental Office Management
 And Administration, Front Office Administration,
 Medical& Dental Billing, Forensic Accounting, Expert
 Witness, Trustee, Computer Consulting Installation and
 Training, Presenter To MLM In Regard To Business
 Management, Accounting And Tax Ramifications. Pro-
 Advisor QuickBooks. Lacerate Proficient.

May 2013 – December 2018 **YOWS, Inc.**

Yowserz Frozen Yogurt/Bagels & Bowls
 Hanford and Lemoore, CA

Created, Established and Operated Two Frozen
 Yogurt/Bagel Shops

April 2012 – Present

NOR-CAL Air, Inc.
 600 E 11th Street
 Hanford, CA 93230
 Owner/Operator/Pilot

Pilot Services

September 2012 – Present ***STCT, Inc./APS IP Holding, LLC/Carbonsyte Inc./BC&E***
 Waste To Energy Conversion Technology
 802 N Irwin Street, Suite 204 Hanford, CA 93230
 President

Principal in STCT Inc. Marketing and Technology of
 APS IP Holding, LLC

Principal in BC&E LLC and Carbonsyte Inc. Operating of
 Renewable Energy and Carbon Char products and markets

Member of APS IP Holding , LLC
 Assisted in the Permit to Construct of 8 TPD conversion in
 Sacramento, CA which received Permit to Operate in
 July 2014, the first in CA

February 2001 – 2007

Community Education, LLC - Lecture Circuit

4 - 8 Hour Presentations on QuickBooks 1, QuickBooks 2,
 Computer Use In Business Management, Improving
 Finances In Residential Care Facilities, Marketing and
 Resident and Family Members Customer Services.

Robert L. Norman, CPA

October 1996 - Present

RCAN, INC. dba Diamond Terraces

Residential Care Facility For The Elderly - 167200404
 600 E. 11th Street, Hanford, CA 93230
 Owner/Operator/Administrator/ President

38 Bed RCFE Licensed facility for Dementia,
 Alzheimer's, Hospice and Assisted Living Care for the
 Elderly

January 1989 - March 1990

Claude C. Wood

Lodi, CA

Controller, Heavy Construction Company

June 1984 - December 1989

The Prudential Insurance Company Of America

Sacramento, CA

Property Management, Assistant Controller
 Managed Agricultural Investments in 5 Western States
 PC Coordinator

VAL-COM APPRAISAL

26632 Towne Center Drive, Suite 300, Foothill Ranch, CA 92610
(866) 862-9355 help@val-com.com www.val-com.com

Item 5.

**APPRAISAL REPORT
TOTAL GOING CONCERN
HYBRID RENEWABLE ENERGY CENTER (HREC)
LOCATED AT**

**2861 NIAGARA AVE
COLUSA, CALIFORNIA 95932**



**PREPARED BY:
VAL-COM APPRAISAL**

**REQUESTED BY:
CRESSIDA CAPITAL**

**EFFECTIVE DATE:
FEBRUARY 4TH, 2024**

**REPORT DATE:
FEBRUARY 1ST, 2024**



26632 TOWNE CENTER DR, FOOTHILL RANCH CA
(866) 862-9355 help@val-com.com www.val-com.com

Regarding: APPRAISAL OF 2861 NIAGARA AVE, COLUSA CA

To Whom It May Concern:

In response to your authorization, we have conducted the required investigation, gathered the necessary data, and made certain analyses, which have enabled us to form an opinion of the market value on the above property. The subject of this appraisal consists of the “As Is” AND Prospective value of an industrial property improved for renewable (green) energy generation and currently partially completed and renovated, that has previously been operating as light industrial and office space. The purpose of this appraisal is to develop an opinion of the market value of the fee simple interest in the subject property under the following valuation scenario:

“As Complete” Market Value of the Real Estate

Total Going Concern Market Value Assuming Stabilization of the Income

The subject has been operating as an industrial space for many years. The methodology employed in this report is meant to assign a credible valuation to the property under the “As Is”, AND the “Prospective As Complete”, based on construction cost estimates and contractor- provided data to ascertain the quality of prospective improvements and amenities. Two additional parcels will be purchased from the Colusa Industrial Park: one 4.98 acre parcel and one 2.60 acre parcel upon which an additional 30,000 sf building, and concrete and building bunkers for Biomass management will be constructed.

The property is undergoing a transformation to a self- contained renewable energy facility. BC&E USA COLUSA 1 LLC (BC&E) is developing and will be operating a 100 ton per day biomass waste to energy plant in Colusa County, California. This project will convert locally sourced biomass waste, such as agricultural residues, biosolids, forestry residues, cannabis waste, commercial wood waste, into renewable electricity. The electricity generated will be sold to the local grid, offsetting fossil fuel dependence, and reducing greenhouse gas emissions. Electricity is sold to the City of Colusa via a Power Purchase Agreement (PPA). There are numerous interior and site improvements that will be added to the existing construction in order to facilitate implementation of the developer’s plans to be able to provide and energy output for consumption of the city of Colusa and potentially other areas as well. An overview of the methodology and improvements is included in this report. While there is a wide variety of financial ownership structures and individual project characteristics for U.S. electric generation assets, we are appraising the subject as an owner- operated independent power producers (IPP) because this ownership status represents most new electric generation assets in the United States, particularly for renewable energy plants., and this data was made available to us during our research.

The property's legal description, together with the definitions of value, are presented in this report. Your attention is also directed to the subsection titled "Assumptions and Limiting Conditions" which further identifies the scope and use of this report. **Regarding Data Verification, we are proceeding under the extraordinary assumption that the data provided to us is correct.**

VAL-COM APPRAISAL

Item 5.

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In addition to a physical inspection, analysis of the appraised property, as well as other matters considered pertinent to and indicative of market value are examined. The accompanying appraisal report sets forth these findings, which are considered essential to explain the basis for the final conclusion of value. Presented in this report are various maps, site/building plans, aerials, and photographs of the subject property for reference. Additional information is contained in my appraisal workfile. It is incorporated by reference and available upon request for inspection.

This appraisal assignment has been conducted in accordance with the scope of work outlined in an email engagement with the client on FEBRUARY 4TH, 2024. It necessarily conforms with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation, as well as the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. ***While my appraisal activities are complete in scope, my findings and conclusions have been set forth in the form of this report that is solely intended for the purposes of the client and should not be reproduced or made public to others except persons having the level of sophistication required to understand the concepts and specifics herein set forth.***

The identification and inspection of the subject property, the research into physical and economic factors affecting the subject property, the data research, and the analysis applied to arrive at the opinions and conclusions herein was conducted by Val-Com Appraisal, with support staff providing general research and assistance.

The valuation conclusion within this appraisal report refers to the Total Assets of the Business (“Total Going Concern”). We have relied on the Sales Comparison Approach and a modified Income Approach based on operator provided data for the concluded value within the appraisal report. We feel that a credible appraisal result has been arrived at using these two approaches. Regarding the Income Approach, we are proceeding under the Extraordinary Assumption that the Income and Expense information provided to us is correct.

Based on the analyses and conclusions in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in this report, we have developed the following conclusions:

FINAL VALUE SUMMARY- ASSUMING COMPLETION				
Type	Date	Type of Value	Portion	Value
AS IS	PROSP	Market Value	Total Assets of The Business (Going Concern)	\$116,000,000
AS IS	PROSP	Market Value	Business Value	\$99,600,000
AS IS	2-8-2024	Market Value	Real Estate Only	\$16,400,000

Respectfully submitted,

VAL-COM APPRAISAL SERVICE



RON DEHAVILLAND, R.P.V.E. APPRAISAL
 MANAGER CALIFORNIA NORTHERN REGION
 VAL-COM APPRAISAL

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ADDENDA

- A.) APPRAISER CERTIFICATIONS**
- B.) SITE IMPROVEMENTS; CONTRACTOR AGREEMENTS,
EQUIPMENT PURCHASE ORDERS**
- C.) ENERGY PURCHASE AGREEMENT**
- D.) BIOMASS EXTRACTION INFORMATION**

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Item 5.

Subject:	2861 NIAGARA AVE., COLUSA, CA
County:	COLUSA
Existing Use:	INDUSTRIAL/ GREEN ENERGY
Building Area:	24,667 SF (Existing) 54,667 (Proposed)
Land Area:	12.4ACRES
Assessor's Parcel Numbers	017-030-105-000 & "-106-000 & "-140-013-000
Owner:	Colusa Specialty Farms
Zoning:	INDUSTRIAL
Interest Appraisal	Fee Simple
Indicated Value Reference:	\$ 300/ sf

The indicated values are as follows:

VALUE ALLOCATION REAL ESTATE AND FF&E			
APPROACH	VALUE	WEIGHT	PERCENTAGE VALUE
SALES COMPARISON APPROACH	\$16,400,000	100%	\$16,400,000
		FINAL VALUE:	\$16,400,000

Appraisal Premise - Market Value Via Income Approach	Value Conclusion
MARKET VALUE TOTAL ASSETS OF THE BUSINESS (GOING CONCERN)	\$116,000,000

The difference in values is now used to derive the value of the business (Renewable Energy Facility)

$$\$116,000,000 - \$16,400,000 = \$99,600,000$$

Appraisal Premise - Market Value	Value Conclusion
BUSINESS VALUE	\$99,600,000

Appraisal Premise - MARKET VALUE -REAL ESTATE	Value Conclusion
MARKET VALUE OF THE REAL ESTATE ONLY	\$16,400,000

**REPORT REQUESTED BY:
CRESSIDA CAPITAL**

AERIAL PHOTO

Item 5.



091
MS

S0° 29' 08"W ~ 692.55' +/-

INDUSTRIAL WAY

N0° 29' 08"E ~ 1270.80' +/-

60'
10' PUE

PARCEL 6
9.45 ACRES +/-

N30° 58' 30"E ~ 1180.30' +/-

Main

PARCEL 5
19.52 ACRES +/-

N31° 16' 36"E ~ 695.65' +/-

N31° 28' 59"E
346.36'

PARCEL 4
2.00 ACRES +/-

S31° 20' 43"W
326.26'

S58° 15' 39"E
249.34'

PARCEL 3
4.00 ACRES +/-

N31° 20' 43"E ~ 696.00' +/-
PARCEL C (ACCESS ROAD)
2.86 ACRES +/-

APN 017-030-105-000

PARCEL 1
5.00 ACRES +/-

S31° 20' 43"W ~ 766.88' +/-
501.91' +/-

PARCEL B
4.69 ACRES +/-
(DRAINAGE EASEMENT)

N13° 39' 17"W ~ 35.36' +/-

NIAGARA AVENUE

AVENUE

L=226.04
R=15.04

L=22.89
R=35.00
L=108.74
R=75.00

501.57' +/-

S89° 56' 42"E ~ 1008.00' +/-

MATCH LINE PAGE 2

506.43' +/-

PARCEL 2
5.00 ACRES +/-

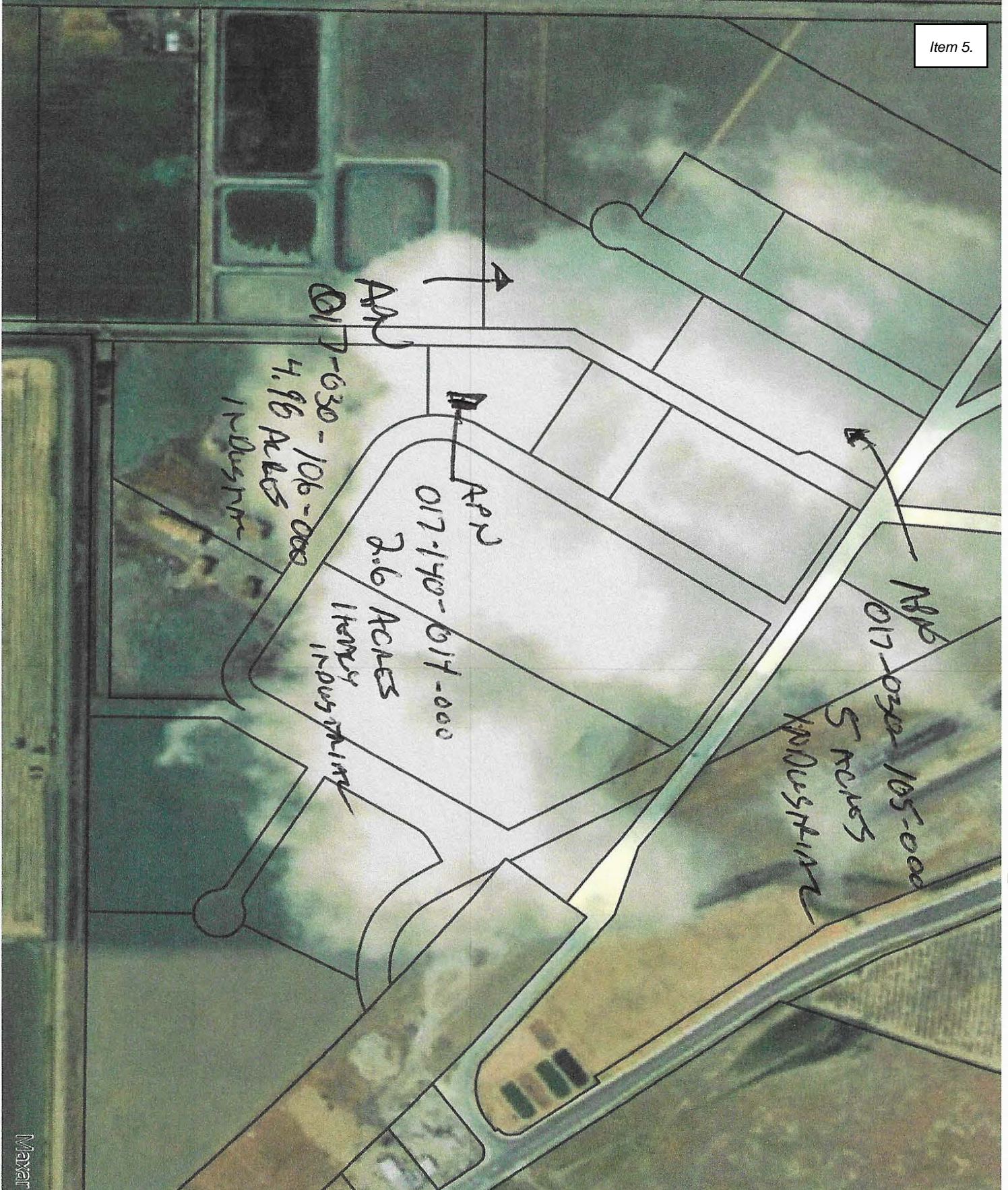
S0° 29' 08"W ~ 267.10' +/-

264.97' +/-

TENTATIVE SUBDIVISION
COLUSA INDUSTRIAL PROJECT

BEING A PORTION OF SECTIONS 5, 6, 7 & 8, T. 15 N., R. 11 W., S. 10 E., COLUSA COUNTY, CALIFORNIA
SEPTEMBER 2020

201.1



Maxar

GENERAL INFORMATION

Item 5.

IDENTIFICATION OF SUBJECT

The subject of our appraisal consists of the Renewable Energy Facility located at 2861 NIAGARA AVE in COLUSA, which, AS COMPLETE, comprises one existing industrial building consisting of approximately 24,667 square feet of area, and one proposed 30,000 industrial building to be constructed on the 2.6 acre adjacent parcel.

The subject property comprises of the following components, which are broken down as follows:

MAIN PROPERTY IDENTIFICATION	
PROPERTY NAME:	NONE
ADDRESS:	2861 NIAGARA AVE,,, COLUSA, CALIFORNIA 95932
COUNTY PARCEL #:	017-030-105-000 & "-106-000 & "-140-013-000
SITE COMPONENTS	SQUARE FOOTAGE
Industrial Building (Existing)	= 24,667 sq. ft
Industrial Building (Proposed)	= 30,000 sq. ft
<u>Other Improvements:</u>	
Fenced Lot, Security System	= Not Calculated
4- Acre concrete slab and building bunkers for Biomass management	= Not Calculated

CURRENT OWNERSHIP AND SALES HISTORY

The owner of record is Colusa Specialty Farms. To the best of our knowledge, no other sale or transfer of ownership has occurred within the past three years.

PUPOSE OF THE APPRAISAL

The purpose of this appraisal is to determine the fair market value for the subject property, As Is, and Hypothetical Prospective as Complete. The fair market rental rate for the subject property was valued as if it were available for lease in the open market for a reasonable amount of time in which to find a lessee.

EFFECTIVE DATE OF VALUE

The effective date of value for the concluded fair value determination is FEBRUARY 8TH, 2024.

DEFINITION OF MARKET VALUE

Market value is defined as: "The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and The price represents the normal consideration for the property sold unaffected

GENERAL INFORMATION

- by special or creative financing or sales concessions granted by anyone associated with the sale.” (Source: 2 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

DEFINITION OF PROPERTY RIGHTS APPRAISED

Fee simple estate is defined as an: “Absolute ownership interest unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.” (Source: The Dictionary of Real Estate Appraisal, Fourth Edition, 2012.)

CLIENT, INTENDED USER AND INTENDED USE

The intended use of the following appraisal is for use in hard money loan underwriting. This appraisal is intended for the exclusive use of the Client. There are no other intended, or authorized, uses or users of this report. Furthermore, we are not responsible for current, future, seen or unseen market conditions that affect the subject property. If the property owner or buyer over-improves the property, they do so at entirely their own risk. Lastly, we are not responsible for any current or future risk in owning the subject, mismanagement of the business or real estate operations associated with owning the subject or the business operating at the subject’s location.

SCOPE OF WORK

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. The fair market value for the subject property was estimated by surveying like-kind properties throughout Colusa and the nearby communities. The scope of the appraisal involved inspecting the subject property; reviewing the subject amenities and current listings of similar space to that of the subject property, interviewing market participants, and inspecting the relevant comparable properties, which consist primarily of industrial warehouse properties. Sufficient information was gathered to complete our analysis of the subject property. Regarding data verification, direct and indirect verification was employed for this assignment. Direct data verification confirms information used in the report with one or more parties who have in-depth knowledge about the comparable. Indirect verification employs information obtained from a secondary source like a data reporting service, a multiple listing service, or another appraiser. Whenever possible, we attempt direct verification of all data employed. We have performed this appraisal service as a disinterested party, employing due diligence in the investigation, analyses, and conclusions. The efforts made are appropriate to the significance of the appraisal problem

COMPETENCY RULE

The appraisers signing this report have appraised numerous properties like the subject, have a familiarity with the local market and geographic area, and have appropriate expertise for the property type in question. We are aware of no deficiencies in competence that would hinder a credible appraisal result. The readers are referred to the appraiser qualifications in the addenda section of this report for additional confirmation of adequate technical training and experience appraising the subject property type.

REPORT FORMAT

This appraisal is presented in a narrative appraisal report format.

NEIGHBORHOOD ANALYSIS

The subject is located in outer Colusa, which is a desirable area in terms of location, proximity to services, and at the same time having the potential for excess acreage. The subject is located on Niagara Avenue. Aerial photographs of the subject's neighborhood are located on the preceding pages.

ACCESS AND EXPOSURE

The subject neighborhood is accessed via numerous surface streets, highways and forms of public transportation. Where it borders the subject property, Niagara Ave is a two-way road flowing in a northwest- southeast direction. Access to U.S. Highway 20/45 is provided 0.6 miles southeast of the subject.

NEIGHBORHOOD CONCLUSION

Overall, the subject's neighborhood is an industrial area with all necessary services and amenities. There is an established demand in the neighborhood and access to freeways is good. It is expected that the overall neighborhood will be desirable and continue to improve into the future.

Maps of the subject's general area and particular neighborhood are provided on the following pages.

Subject Property

Item 5.

2861 Niagara Ave
Colusa, CA 95932 - California Rural North Area



LOCATION

Distance to Airport:	-
Distance to Seaport:	115.0 mi
Distance to Rail Terminal:	51.8 mi
Population 500 Mile Radius:	45,513,987
Population 250 Mile Radius:	16,300,095
Population 50 Mile Radius:	1,533,149

OWNER

BC&E, Inc.
Purchased Mar 2020
\$3,050,000 (-/Unit)

PROPERTY

Type:	Warehouse	Tenancy:	Single
Park:	Colusa Industrial Park	Construction:	Steel
RBA:	24,677 SF	Column Spacing:	-
Year Built/Renov:	2000	Truck Wells:	-
Ceiling Height:	24'	Rail Served:	-
Docks:	2 ext	Sprinklers:	-
Drive Ins:	2 tot./14'w	Power:	1,200a/120-208v 3p 3w Heavy
Truck Court:	-	Cranes:	-
Land Acres:	5.00 AC	Levelators:	-
Office:	-	Taxes:	\$1.34/SF (2021)
Parking:	50 free Surface Spaces are available; Ratio of 2.03/1,000 SF		
Features:	Bio-Tech/ Lab Space, Conferencing Facility, Fenced Lot, Skylights, Storage Space, Yard		

VACANCY

Current:	0%
Last Quarter:	0%
Year Ago:	100%
Peers:	0%
Peer Submarkets:	1.5%

ASKING RENT PER SF

Current:	-
Last Quarter:	-
Year Ago:	-
Peers:	-
Peer Submarkets:	\$7.08

12 MO. LEASING ACTIVITY SF

Subject Property:	-
Peers Total:	-
Peers Count:	2
Peers Avg:	-
Peer Submarkets Total:	73,245
Peer Submarkets Avg:	229

AVAILABLE SPACES

Currently No Available Spaces

Borrower: TBD
Property Address: 2861 NIAGARA AVE
City: COLUSA
Lender: TBD

File No.: COLUSA
Case No.: 95932
State: CA
Zip:

Item 5.



OUTER Sutter/ Colusa County

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
0	(36K)	5.1%	6.1%

OUTER SUTTER/ COLUSA County is a relatively small submarket, containing about 1.1 million SF of industrial space. The local industrial stock entirely comprises logistics and specialized facilities, and no flex space exists here. The submarket has about 660,000 SF of logistics space and 470,000 SF of specialized space.

Vacancy has softened notably in the past four quarters, and the submarket's vacancy rate has climbed by 3.2% during that time. Net absorption was negative over the past year, and annual net absorption has averaged -7,500 SF over the past five years.

Rents grew by 6.1% over the past year, which is right in line with the impressive decade-long annual average in

OUTER SUTTER/ COLUSA County. While industrial rents overall are essentially in line with the average in the Yuba

City market, rents for the logistics subtype do run at somewhat of a premium. Logistics space in Outer Sutter County goes for about \$8.70/SF, compared to \$7.50/SF in the metro.

There are no supply-side pressures on vacancy or rent in the near term, as nothing is underway. This extends a prolonged hiatus from new development in the submarket: It has been more than five years since an industrial project delivered.

Only a handful of properties have traded in Outer Sutter County over the past three years.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	659,972	8.7%	\$8.70	8.7%	(1,282)	0	0
Specialized Industrial	472,794	0%	\$6.52	0%	0	0	0
Flex	0	-	-	-	0	0	0
Submarket	1,132,766	5.1%	\$7.79	5.1%	(1,282)	0	0

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	3.2%	5.1%	6.0%	30.4%	2010 Q4	0%	2019 Q3
Net Absorption SF	(36K)	3,797	(9,568)	249,780	2011 Q4	(294,180)	2010 Q2
Deliveries SF	0	3,491	0	50,000	2015 Q4	0	2022 Q4
Rent Growth	6.1%	3.2%	3.4%	10.7%	1999 Q4	-4.1%	2009 Q4
Sales Volume	\$265K	\$903K	N/A	\$5.7M	2021 Q3	\$0	2018 Q3

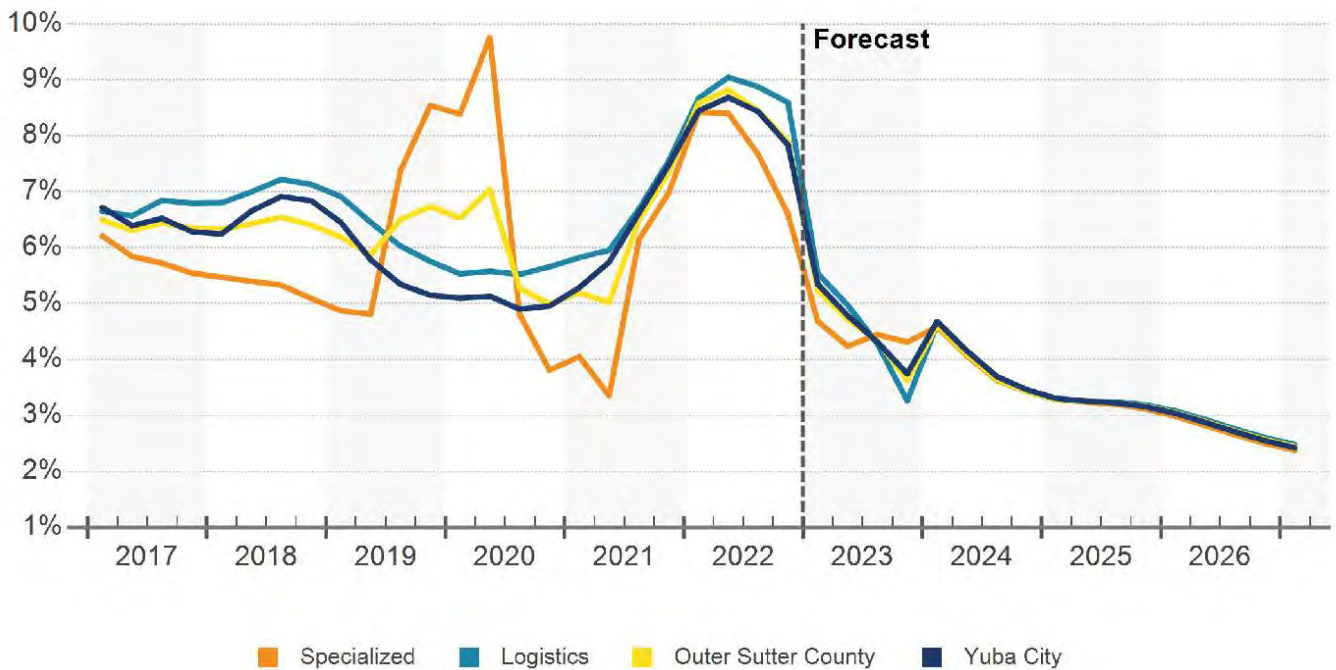
While industrial rents overall are essentially in line with the average in the Yuba City market, rents for the logistics subtype do run at somewhat of a premium. Logistics space in Outer Sutter County goes for about \$8.70/SF, compared to \$7.50/SF in the metro.

Rents posted exceptional gains of 6.1% over the past 12 months, which was right in line with the annualized

average growth rate over the past three years, as well.

Over a longer horizon, industrial rent growth in both the Outer Sutter County Submarket and the Yuba City metro at large has been nothing short of sensational. In the past 10 years, rents in the submarket have cumulatively risen by 80.3%, a performance essentially matched when zoomed out to the entire Yuba City metro.

MARKET RENT GROWTH (YOY)



Outer Sutter County Industrial

All-Time Annual Avg. Square Feet

Delivered Square Feet Past 8 Qtrs

Delivered Square Feet Next 8 Qtrs

Proposed Square Feet Next 8 Qtrs

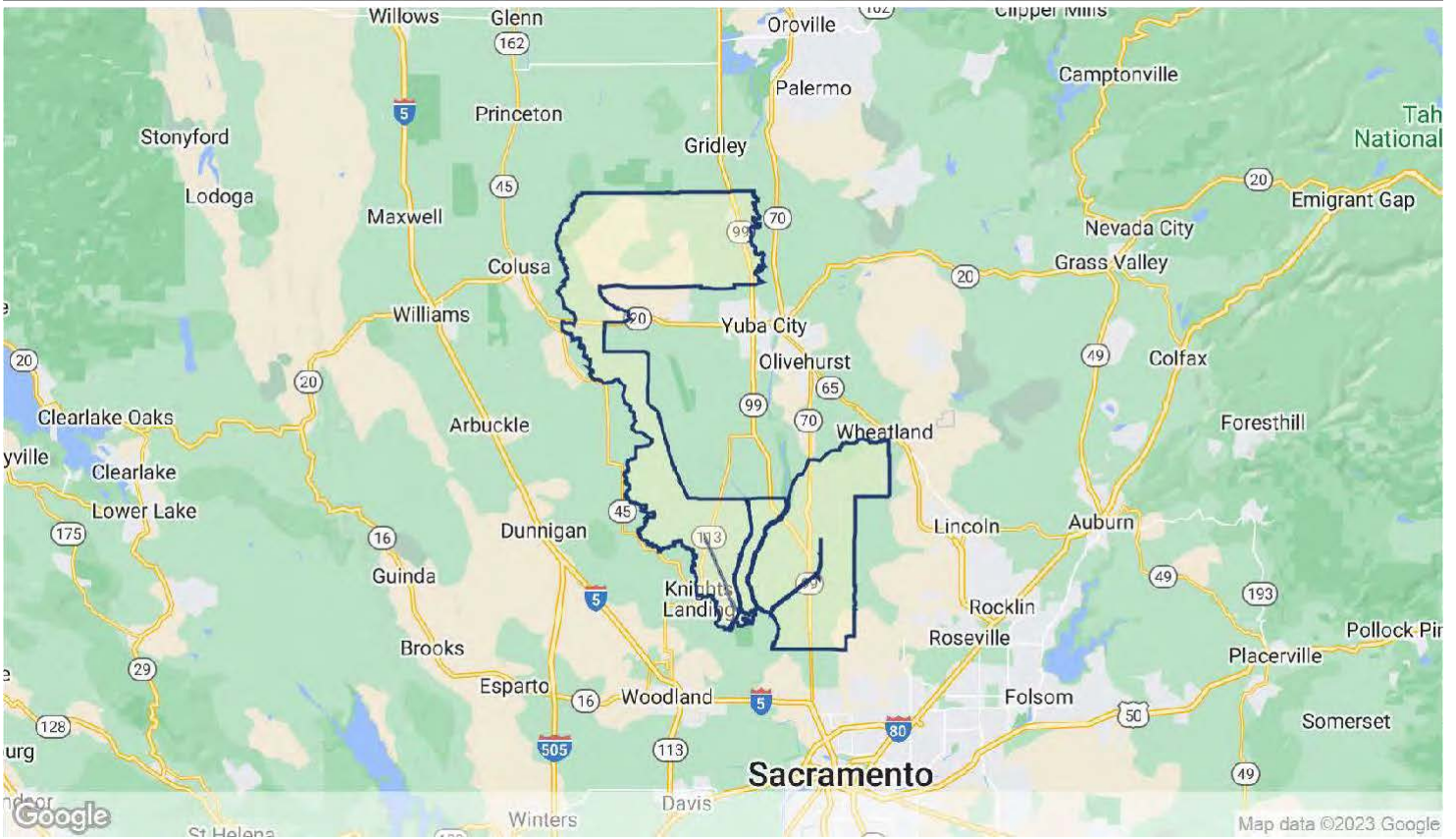
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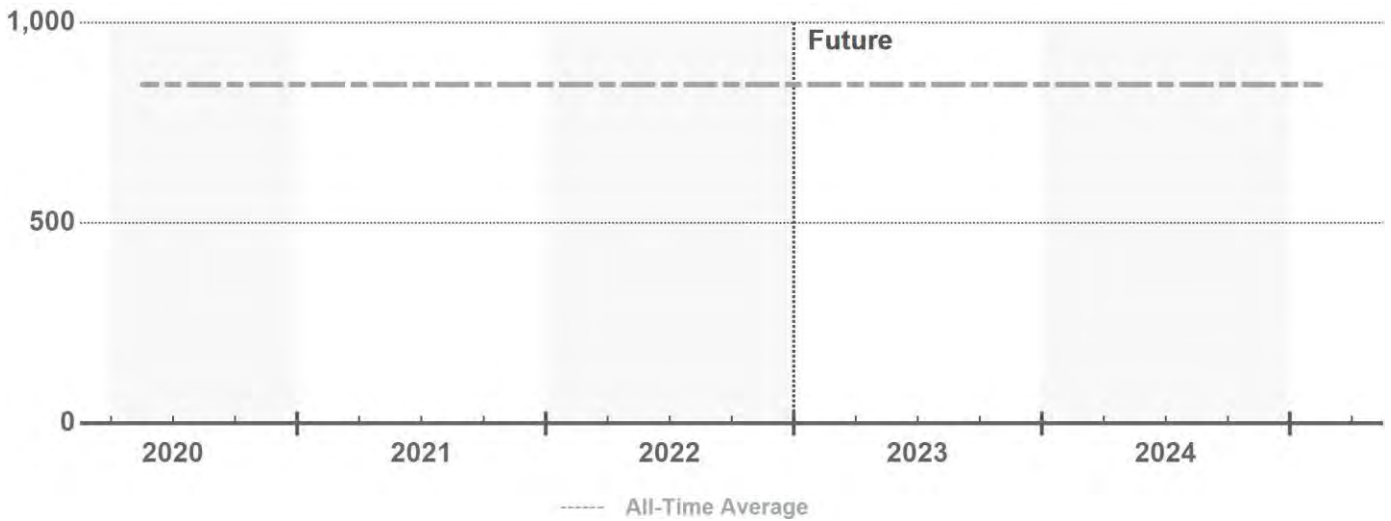
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PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



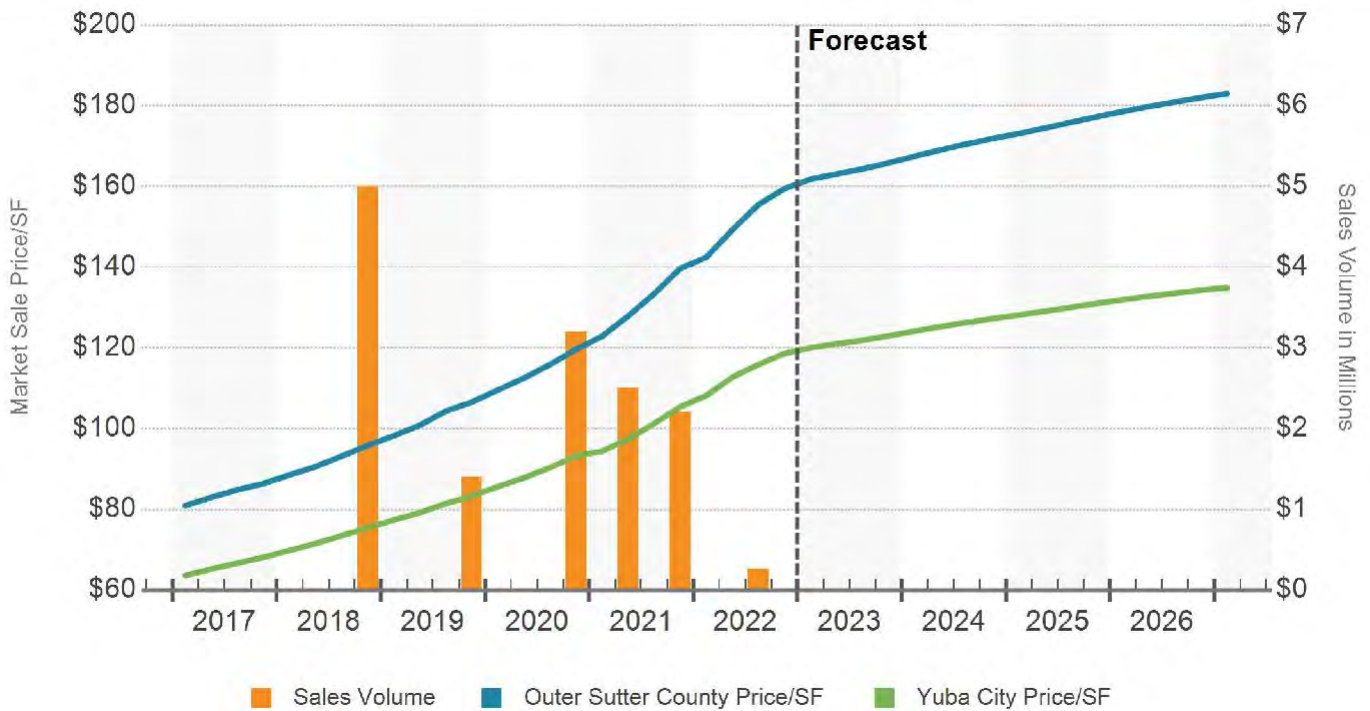
PAST & FUTURE DELIVERIES IN SQUARE FEET



Only one industrial asset sold in Outer Sutter County over the past year, which isn't really a shift from the past in a submarket where only a handful of buildings might trade in a given year. Annual sales volume has averaged \$2.8 million over the past five years, and the 12-month high in investment volume hit \$5.7 million over that stretch. In the past 12 months specifically, \$260,000 worth of assets sold.

Market pricing, which is derived from the price movement of every industrial property in the submarket, sat at \$162/SF during the first quarter of 2023. That price has surged since last year, growing by more than 10%, and the price itself is a significant premium relative to the average pricing for the Yuba City region. The market cap rate has contracted over the past year, and the rate is still lower than the market's average. The current rate is under the submarket's five-year average.

SALES VOLUME & MARKET SALE PRICE PER SF



REGIONAL MAP

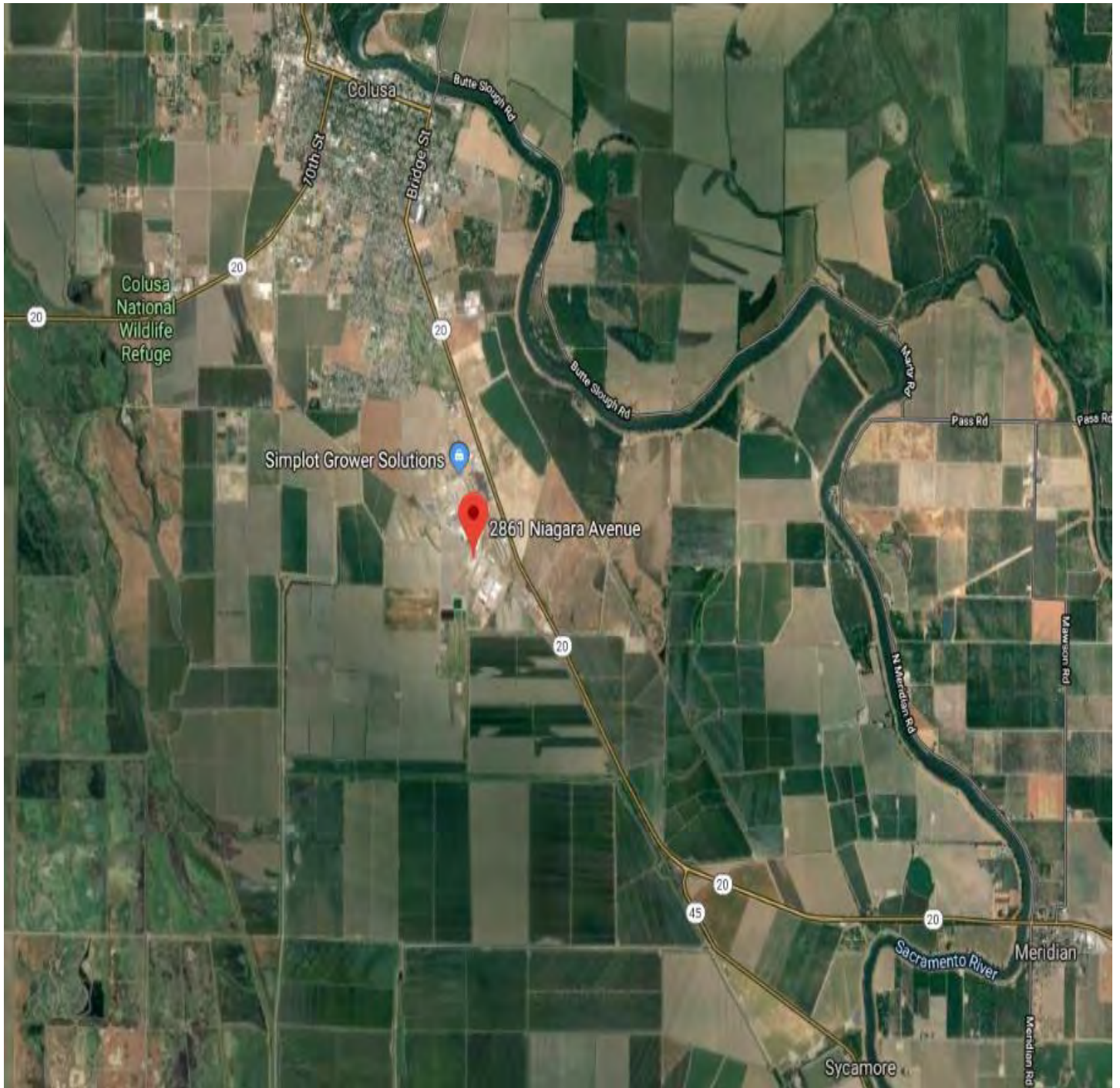
Item 5.

COUNTY MAP



NEIGHBORHOOD MAP

LCOAL AREA MAP



INDUSTRY INFORMATION- RENEWABLE ENERGY/ BIOMASS

Item 5.

Solid Biomass Resources Overview

Renewable energy resources account for 6.7% of the total energy consumed in the United States. If liquid biofuels are included, then biomass energy constitutes the greatest source of renewable energy in the United States. Figure 1 shows that biomass energy (consisting of wood energy, biofuels, and waste energy) currently provides more than half of the renewable energy consumed in the United States, with approximately two-thirds of the total biomass energy being used to generate heat, power, or CHP through wood energy.

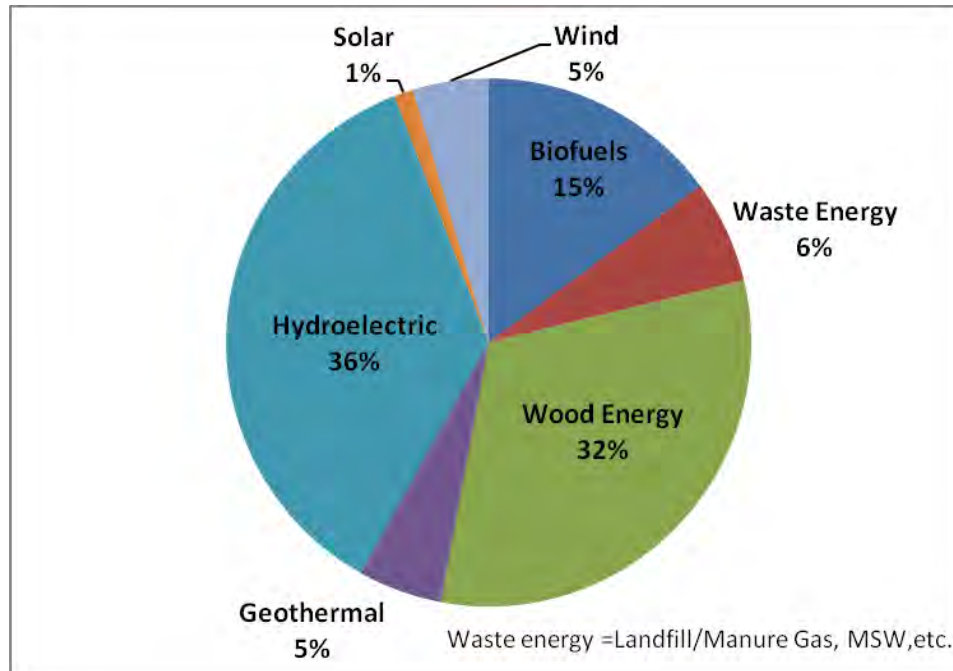


Figure 1. Total U.S. renewable energy consumption, 2017 [1]

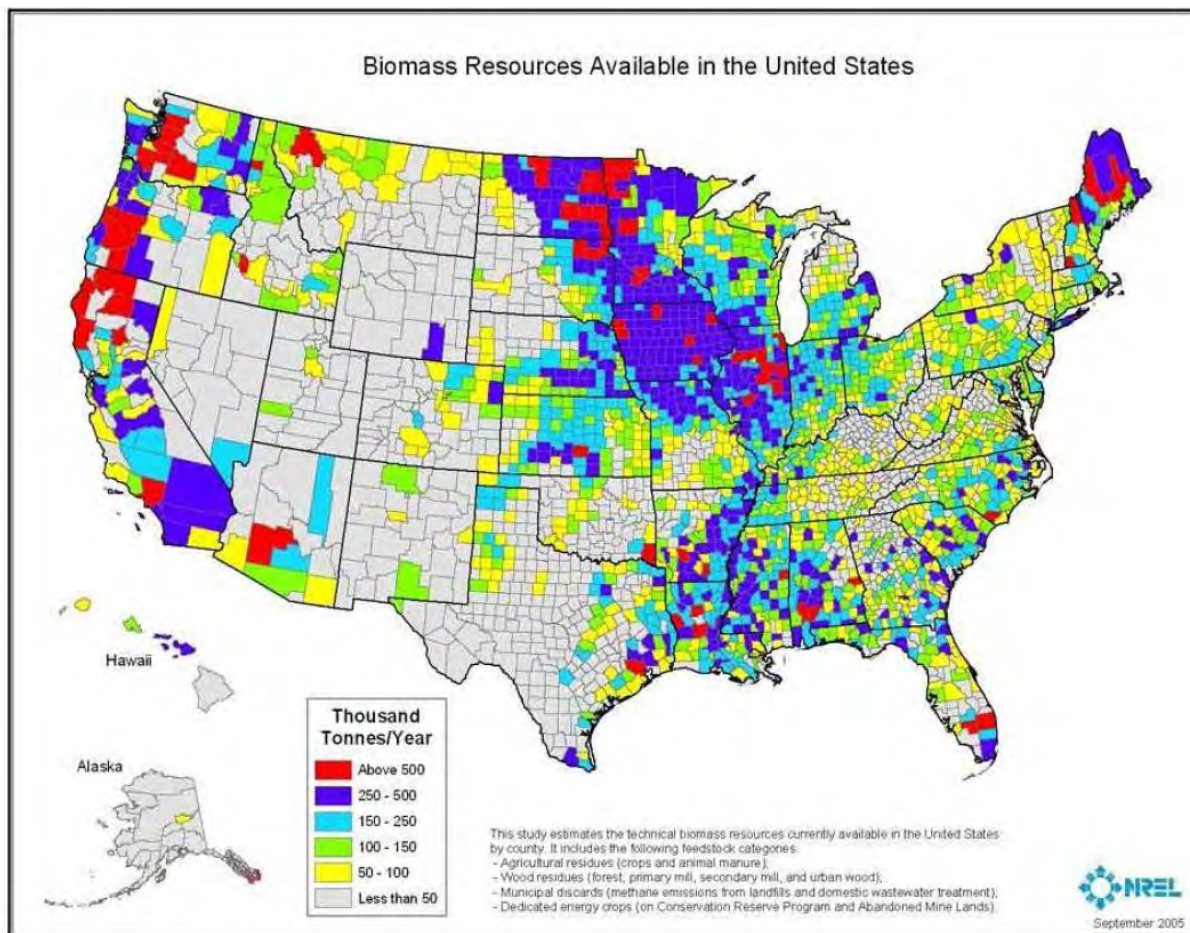
The feasibility of a system that utilizes solid biomass to generate heat, power, or CHP largely depends on the availability of feedstocks. Table 1 provides a list of potential solid biomass feedstocks. Although all of these resources are possible feedstocks, wood residues are used by a significant majority of operating biomass facilities that generate heat, power, or CHP in the United States.

Table 1. Examples of Solid Biomass Resources

Wood Residues	Agriculture Residues	Energy Crops
Mill residues (sawdust, etc.) Urban wood waste Forest thinnings	Corn stover Wheat straw Rice hulls Sugarcane bagasse Animal waste	Switchgrass Hybrid willow Hybrid poplar

Locating and quantifying potential sources of available feedstock is vital to the success of a biomass project. Figure 2 provides a graphical representation of the geographic distribution of potential biomass resources in the United States (Appendix A lists and defines the biomass resources included in Figure 2). Agricultural, forest, and mill residues represent approximately 70% of the total biomass resources shown.

Starting in fall 2025, county-level biomass resource estimates will be available on line through an interactive mapping and analysis tool^a Past resource assessment efforts usually were static and did not allow user analysis or manipulation of the data. This new tool enables users to select a location on the map, quantify the biomass resources available within a user-defined radius, and then estimate the total thermal energy or power that could be generated by recovering a portion of that biomass. The tool acts as a preliminary source of biomass feedstock information; however, it cannot take the place of an on-the-ground feedstock assessment.



A number of other factors also dictate whether a local feedstock can be used, including:

- Costs associated with the collection, preparation, storage, and transportation of the biomass resource.
- Sustainability of the resource.
- Quality and composition of biomass.
- Ease of converting the biomass resource to energy.

Biomass resource availability is the most important issue in terms of the economics and long-term project sustainability, therefore projects that can utilize a reliable, onsite supply of fuel— such as sawdust at a wood products plant or wastes from agriculture processing operations— have a distinct advantage. For projects without an onsite fuel supply, securing adequate, long-term feedstock supplies can be expensive and difficult. A number of industry representatives interviewed for this report consider securing a feedstock supply the prime hurdle for larger-scale biomass project development because of the difficulty in finding a supplier willing or able to sign a long-term contract. This is particularly important because a long-term contract for biomass supply often is required to secure project financing.

As noted, woody biomass resources are by far the most commonly utilized solid biomass feedstock. Woody biomass systems typically are designed to handle either wood chips or pellets. Wood chips can be a byproduct of a mill or chipped from scrap wood or whole trees. Although the ideal wood chip is uniform in size and free of dirt, some systems are designed to utilize lesser-quality wood chips. Pellets are a refined wood product and have a lesser moisture content and greater density as compared to wood chips.

Table 2. Wood Chips and Pellets Comparison

Wood Chips	Pellets
<ul style="list-style-type: none"> • Well-suited for larger applications • A less expensive fuel than pellets • Irregular quality (moisture content, ash content, size) 	<ul style="list-style-type: none"> • Typically used in smaller commercial applications (less than 10,000 sq ft) • A more expensive fuel • A commodity fuel available from a number of sources • Pellets systems tend to be less expensive, take up less space, and are more automated than wood-chip systems • Consistent size, moisture, and heat content

Conversion Technologies

Technologies that convert solid biomass resources into energy for heat, power, and CHP fall into two general categories, direct combustion and gasification.

Direct Combustion

In the United States and around the world, direct combustion is the most common method of converting biomass resources into heat, power, or CHP. A direct combustion system burns the biomass to generate hot flue gas, which is either used directly to provide heat or fed into a boiler to generate steam. In a boiler system, the steam can be used to provide heat for industrial processes or space heating, and a steam turbine can be used to generate electricity.

The two principle types of direct combustion boiler systems that utilize biomass are fixed-bed (stoker) and fluidized-bed systems. In a fixed-bed system, the biomass is fed onto a grate where it combusts as air passes through the fuel, releasing the hot flue gases into the heat exchanger section of the boiler to generate steam. A fluidized-bed system instead feeds the biomass into a hot bed of suspended, incombustible particles (such as sand), where the biomass combusts to release the hot flue gas. Manufacturers of fluidized-bed systems claim that this technology produces more complete combustion of the feedstock, resulting in reduced SO₂ and NO_x emissions and improved system efficiency. Fluidized-bed boilers also can utilize a wider range of feedstocks. Fluidized-bed systems, however, have greater parasitic loads than stokers. Given proper emissions-control technology, both systems can meet stringent emissions limits.

Direct combustion biomass facilities that produce electricity through a steam turbine have a conversion efficiency of 15% to 35%, depending upon the manufacturer; a CHP system can have an overall system efficiency of as much as 85%. The efficiency of a direct combustion biomass system is influenced by a number of factors including: (1) moisture content of the biomass; (2) combustion air distribution and amounts; (3) operating temperatures and pressures; (4) fuel feed handling, distribution, and mixing; and (5) furnace retention time.

Although most direct combustion systems generate power utilizing a steam-driven turbine, a few companies are developing direct combustion technologies that use hot, pressurized air or another medium to drive the turbine. One emerging application is the potential to couple an Organic Rankine Cycle (ORC) power generator to a biomass hot-water source. ORC technology uses hot water to heat a compressed working fluid that has a lower boiling point than water. In this manner, electricity can be produced from low-temperature (approximately 185°F and greater), low-pressure sources such as biomass hot-water boilers.^b

Gasification

Gasification systems—instead of directly burning the fuel to generate heat—convert biomass into a low-Btu to medium-Btu content combustible gas, which is a mixture of carbon monoxide, hydrogen, water vapor, carbon dioxide, tar vapor, and ash particles. In a close-coupled gasification system, the combustible gas is burned directly for space heat or drying, or burned in a boiler to produce steam. Alternatively, in a two-stage gasification system, tars and particulate matter are removed from the combustible gas, resulting in a cleaner gas suitable for use in a genset, gas turbine, or other application requiring a high-quality gas (Figure 3).

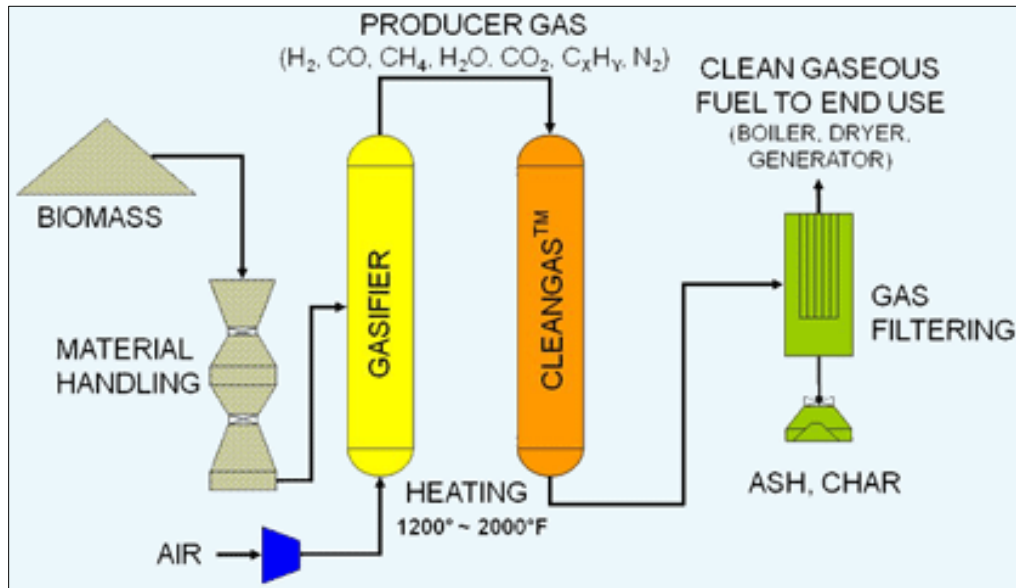


Figure 3. Example of two-stage gasification
Courtesy of Frontline Bioenergy

Fixed bed and fluidized bed are the main categories of gasification conversion technologies, both using similar types of equipment as that used in direct combustion systems (see Figure 4). Fixed-bed systems—in which the biomass is piled on top of a grate inside the gasification chamber—are a simple, inexpensive, proven technology, but typically they produce a gas with lower heat content. Fluidized-bed gasification systems, in which the combustible gas is generated by feeding the biomass into a hot bed of suspended, inert material, generally offer improved performance, but with greater complexity and cost. The fluidized bed design produces a gas with low tar content but a greater level of particulates as compared to fixed-bed systems. Advantages that fluidized-bed gasification systems have over fixed-bed gasification systems include improved overall conversion efficiency and the ability to handle a wider range of biomass feedstocks.

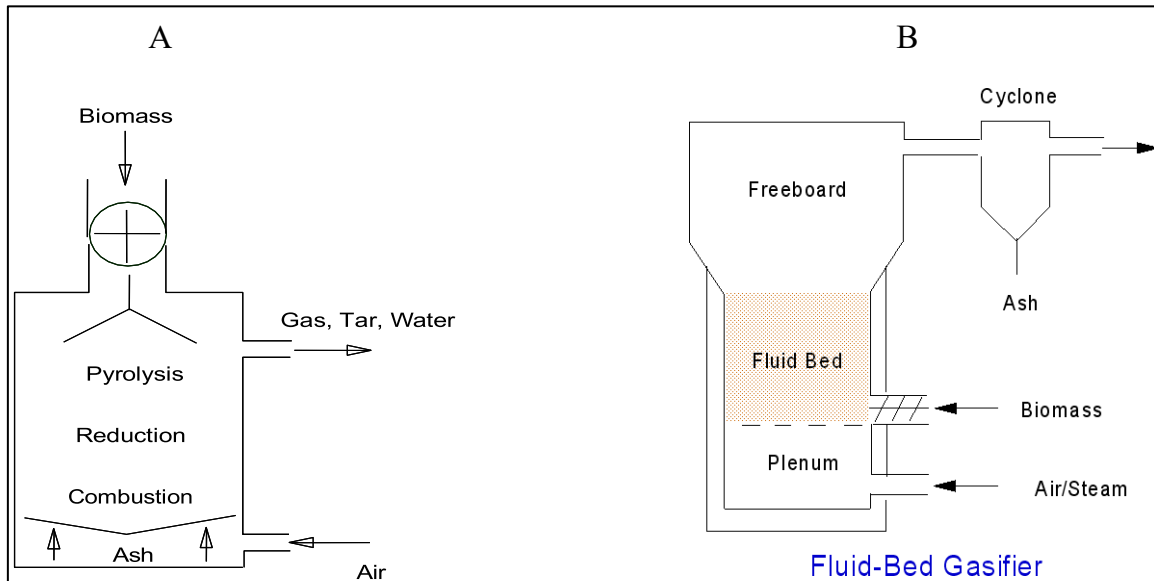


Figure 4. Diagrams of (A) fixed-bed and (B) fluidized-bed gasification systems

Although most biomass resources are suitable for gasification systems, certain high moisture fuels might be uneconomic because of high drying costs. In addition, some agricultural residues generate a combustible gas that requires special processing before it can be utilized in a boiler, turbine, or engine.

Direct Combustion and Gasification Strengths and Weaknesses

Direct combustion and gasification systems each have a number of general strengths and weaknesses (see Table 3).

Table 3. Strengths and Weaknesses of Conversion Technologies

	Strengths	Weaknesses
Direct Combustion	<ul style="list-style-type: none"> • Proven, simple, lower-cost technology • Equipment is widely available, complete with warranties • Fuel flexibility in moisture and size • Lenders comfortable with technology 	<ul style="list-style-type: none"> • Greater NO_x, CO, and particulate emissions • Inefficient conversion process when generating power alone—some advanced designs are improving efficiency • Requires water if generating power with a steam turbine
Gasification	<ul style="list-style-type: none"> • Lower NO_x, CO, and particulate emissions • Potential for more efficient conversion process when generating power • Virtual elimination of water needs if generating power without a steam turbine (close-coupled systems excluded) 	<ul style="list-style-type: none"> • Technology is in the development and demonstration phase (close-coupled systems excluded) • Need fuel of uniform size and with low moisture content

Commercial Status of Conversion Technologies

Direct Combustion

Systems that employ direct combustion to convert biomass into energy for heat, power, and CHP are widely utilized and commercially available for small- and medium-scale applications. Direct combustion boiler systems are used for a variety of facility heating purposes and have a solid track record in the field. Additionally, nearly all of the U.S. facilities using biomass to produce power utilize direct combustion technology.

Appendix B provides a non-exclusive list of direct combustion system suppliers that offer commercially available small- to medium-scale direct combustion systems. The systems manufactured by these suppliers range from power-plant scale to small-business scale. Most of the systems are fixed-bed technology designed to utilize wood residues as fuel, and usually are located either onsite at wood manufacturing operations that produce mill residues or in close proximity to accessible feedstock sources.

Project Installed Costs

Installed costs for systems that generate heat, power, or both from solid biomass resources are variable and very project specific. Table 4 lists project costs for a number of systems installed within the last 5 years.

Table 4. Installed Costs for Direct Combustion Systems [7]

Facility Name	Location	Boiler Size (Mbtu/hr output)	Project Type	Wood Fuel Type	Total Project Cost
Bismarck Public Works Facility	Bismarck, ND	1.0	Direct combustion, stand alone	Chips	\$220,000
Harney District Hospital	Burns, OR	0.8	Direct combustion system tied to heat-pump system	Pellets	\$269,000
Troy School District	Troy, MT	0.7	Direct combustion system installed in existing steam-boiler room	Pellets	\$298,755
Townsend School District	Townsend, MT	2.2	Direct combustion system using existing hot-water boilers	Pellets	\$425,000
Thompson Falls School District	Thompson Falls, MT	1.6	Close-coupled gasification system installed in stand-alone building and tied to existing steam system	Chips	\$455,000
Victor School District	Victor, MT	2.6	Direct combustion system installed in and tied to an existing steam system	Chips	\$684,000
Philipsburg School District	Philipsburg, MT	3.9	Direct combustion boiler tied to an existing system	Chips	\$970,000
City of Craig	Craig, AK	4.0	Close-coupled gasification system installed in stand-alone building and tied to existing steam system	Chips	\$1,400,000
University of Montana, Western	Dillon, MT	14.0	Close-coupled gasification system added to an existing steam system	Chips	\$1,400,000
University of South Carolina	Charleston, SC	72.0	Close-coupled gasification CHP central district steam system	Chips	\$16,000,000

The variable total project cost likely is a reflection of the other costs associated with developing a project outside of the direct combustion or gasification unit cost. These additional costs can include the following elements.

- Feasibility study
- Detailed engineering investigation
- Design fees and expenses
- Buildings permit costs
- Air-quality permit costs (including engineering fees)
- Chip storage/boiler building costs
- Mechanical and electrical costs incurred for boiler-building interior
- Feedstock handling-system costs
- Stack costs
- Buried-pipe costs
- Mechanical and electrical integration costs associated with existing boilers
- Remoteness factor (where applicable)
- Construction contingencies
- Escalation factors

1.1. Fuel Costs

Project economics are affected dramatically by both the cost of solid biomass feedstock as well as the price of the lowest-price fossil fuel alternative (often natural gas, propane, or heating oil). Figure 9 illustrates how the simple payback period of a 3 Mbtu/hr system with a total installed capital cost of \$850,000 is influenced by variations of the price of wood and natural gas. If wood is \$15/ton and natural gas is \$7/Mbtu, for example, then the simple payback term is 11 years. If wood is \$15/ton and natural gas is \$3/Mbtu, then the simple payback is approximately 48 years.

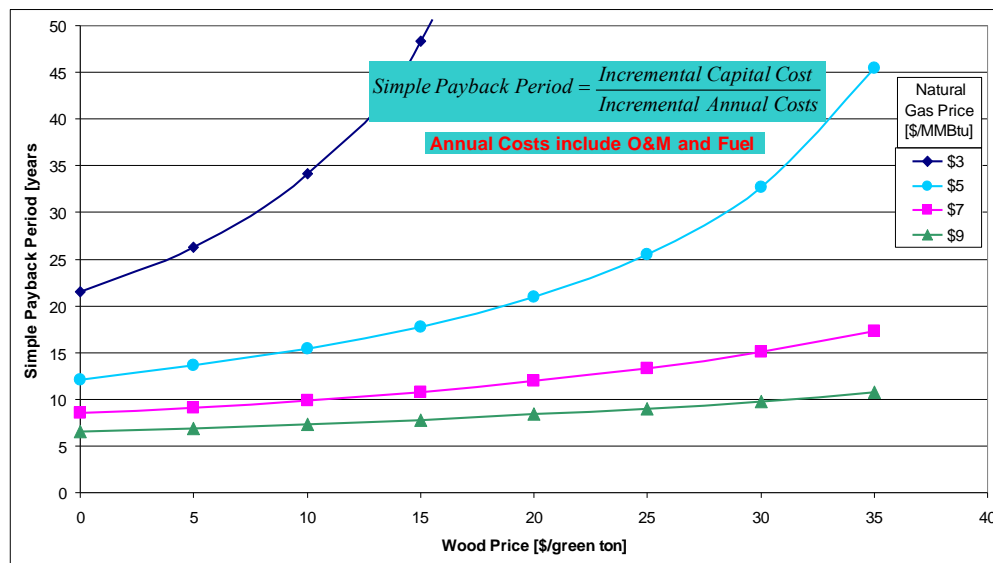


Figure 9. Simple payback period for various prices of wood and natural gas [8]

Table 5 shows a comparison of the cost of various fuels per million Btu of energy produced. The value listed under “efficiency” is the estimated efficiency of the appliance that is converting the fuel to end-use energy.

Table 5. Comparison of Various Fuels (\$ per Mbtu)^c

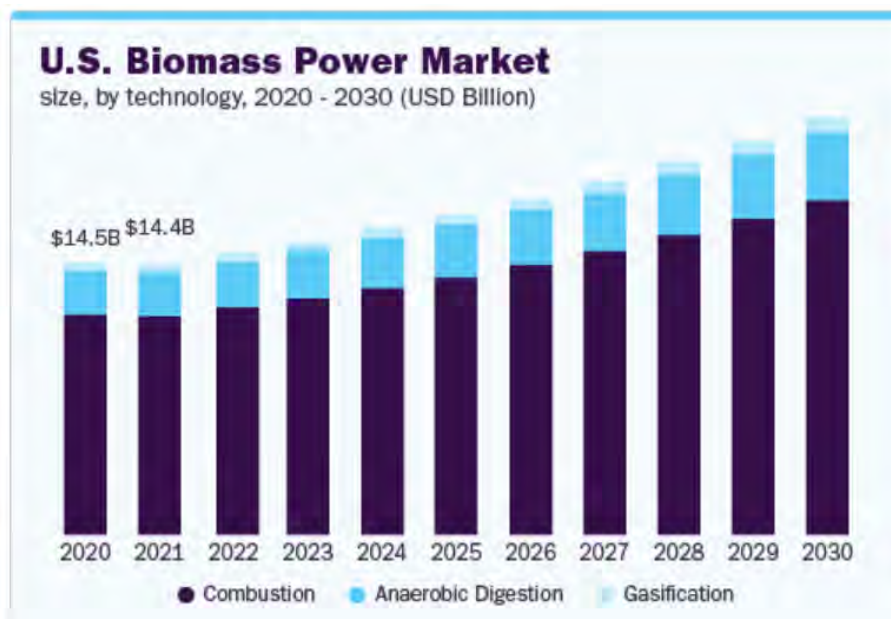
Source	Units	Cost to User per unit (\$ U.S.)	Efficiency	Btu/unit	\$ per Mbtu
Chipped biomass	\$/green ton	\$50.00	75%	13,500,000	\$4.94
Wheat straw bales	\$/ton	\$55.00	70%	14,000,000	\$5.61
Natural gas	\$/therm	\$0.50	85%	100,000	\$5.88
Wood/ag pellets	\$/ton	\$130.00	80%	15,000,000	\$10.83
Natural gas	\$/therm	\$1.00	85%	100,000	\$11.76
Wood/ag pellets	\$/ton	\$160.00	80%	15,000,000	\$13.33
Hardwood pellets	\$/ton	\$185.00	80%	16,600,000	\$13.93
Natural gas	\$/therm	\$1.50	85%	100,000	\$17.65
Fuel oil	\$/gallon	\$2.25	85%	135,000	\$19.61
Natural gas	\$/therm	\$1.75	85%	100,000	\$20.59
Propane	\$/gallon	\$2.25	85%	91,600	\$28.90
Electricity	\$/kWh	\$0.10	100%	3,413	\$29.30

Market Potential

The global biomass power market size was valued at USD 121,340.76 million in 2021 and is projected to exhibit a compound annual growth rate (CAGR) of 6.0% from 2022 to 2030. The market has been witnessed growth with the rise in environmental concerns, which has forced various countries to increase the share of [renewable energy](#) in their power mix. Countries, such as India, China, Germany, the U.K., and France, have announced renewable energy targets and are aiming at becoming carbon-neutral nations in the future. Moreover, rising adoption owing to favorable policies and regulations drives the market.

There are no completed studies that estimate the overall market potential for small- and community-scale direct combustion and gasification systems that convert biomass into heat, power, or CHP. The potential to utilize the technology, however, is significant in many parts of the United States. A majority of the market will be the retrofitting of existing fossil-fuel heating systems with biomass boilers; however, the integration of biomass systems into new construction projects should be considered whenever possible.

The market potential for small- and community-scale direct combustion and gasification systems that convert biomass into heat, power, or CHP has not been properly addressed at the national level. Several states, however, have done assessments of the market potential for these systems. Michigan, for example, commissioned a 2017 report to examine the market potential for woody biomass retrofit opportunities in boiler operations within the state. The analysis of an existing boiler database identified 2,300 existing boilers for which retrofits with a wood-fired heating system could result in a projected simple payback period of less than 20 years. A similar study was conducted in Montana in 2016.



On the basis of technologies, the global market for biomass power has been further categorized into combustion, gasification, and anaerobic digestion. In terms of revenue, the combustion segment dominated the market in 2021 and accounted for the maximum share of more than 88.0% of the global revenue. The trend is expected to continue in the future with the segment registering a steady growth

rate over the forecast period. Biomass feedstock is directly combusted in a furnace with air, to convert water into steam. The produced steam is used to drive a steam turbine to generate electricity.

The combustion technology has a non-complex operation and operates at a lesser cost compared to other advanced biomass power technologies. This is expected to drive the demand for combustion technology in the market over other available technologies. Biomass power can be used for power generation, lighting, heating, and cooking gas applications. These factors are expected to boost the growth of the anaerobic digestion technology segment over the forecast period. However, the gasification technology segment is estimated to register the fastest CAGR over the forecast period.

Conclusions

The market for small- and community-scale direct combustion and gasification systems that convert biomass into heat, power, or CHP is developing slowly but steadily. There are countless communities, facilities, and utilities that are either developing or evaluating prospective biomass applications. The market readiness of conversion technologies varies widely however. Systems that employ direct combustion or close-coupled gasification to convert biomass into heat, power, or CHP are commercially available from multiple manufacturers. Systems that utilize two-stage gasification are near-commercial technologies and most manufacturers are actively testing demonstration and pilot units. Entities wishing to support the development of gasification applications and technologies should consider funding demonstration projects of near-commercial technologies in their states. A national assessment of the market potential for small- and community-scale direct combustion and gasification systems that convert biomass into heat, power, or CHP should be commissioned. A central clearinghouse or registry of small- to medium-scale systems should be created and maintained. The registry should be searchable online and include a GIS mapping function.

LOCATION

The subject site is located on the Southwest Side of Niagara Ave.

SHAPE AND DIMENSIONS

The site is irregular in shape. Site utility based on shape and dimensions is average.

TOPOGRAPHY

The site is generally level and at street grade. The topography does not result in any particular development limitations.

ENVIRONMENTAL HAZARDS

An environmental assessment report was not provided for review, and during our inspection, we did not observe any obvious signs of contamination on or near the subject. However, environmental issues are beyond our scope of expertise. It is assumed that the property is not adversely affected by environmental hazards.

GROUND STABILITY

A soils report was not provided for our review. Based on our inspection of the subject and observation of development on nearby sites, there are no apparent ground stability problems. However, we are not experts in soils analysis. We assume that the subject's soil bearing capacity is sufficient to support the existing improvements.

ZONING

The subject is zoned M-2, a location-specific designation, which permits heavy industrial uses. According to the local planning department, there are no pending or prospective zoning changes. It appears that the current use of the site is a legally conforming use. In addition, our research indicated that the subject, as an income-producing concern, can be developed further as leaseable space.

LEGAL DESCRIPTION

The subject's legal description has been included in the addenda of this report:

OWNER OF RECORD

Current ownership indicated as: **Colusa Specialty.**

PROPERTY TAXES

Current Tax Rolls indicate a total tax amount for the current tax year at SEE ADDENDA

EXISTING USE

The subject is currently an industrial facility in a medium demand area.

IMPROVEMENTS INFORMATION

IMPROVEMENTS- INDUSTRIAL

The current improvements appear to be of good quality construction. The project is of sufficient size and is efficiently designed, providing reasonable vehicular access and site circulation. Based on our site inspection and review of the site plan, we conclude that the improvements are adequate for their use.

FACILITY STRUCTURES (INDUSTRIAL BUILDING)

Improvement Summary--Subject Building	
Total Building Area (SF) 54,677	
Year Built 2001 REN 2023	Construction Class/Quality A
Investment Class	Truss Height (ft) 21
Effective Age 5	Floor Height (ft) 0
Remaining Econ. Life 40	
-- Building Characteristics	-- Improvement Rating--
Foundation Concrete masonry	Appeal/Appearance Excellent
Frame Steel	Floor Plan/Design Good
Roof Materials Wood truss flat with plywood	Roof Cover Average
Exterior Walls Stucco over steel frame	Exterior Condition Excellent
Interior Partitions Painted drywall/	Wall Condition Excellent
Floor covering Concrete	Floor Condition Excellent
Ceiling Susp. acoustic/drywall/foil	Ceiling Condition Excellent
Heating/Air Cond. Yes	Heating/Air Cond. Excellent
Plumbing Typical	Plumbing Excellent
Electrical UPGRADED- NEW SEE ADD	Electrical Excellent
Elevators None	Elevators None
Sprinklers Throughout	Sprinklers Excellent

SITE IMPROVEMENTS & AMENTIES

Large 5 Acre site with extra space for storage.

4-acre slab of concrete and building bunkers for Biomass management.

Fenced Area adjacent to building.

Concrete blocks currently used for parking.

Unrestricted drive around perimeter of building.

Bio-Tech / Lab Space/ Hybrid Ren En Equipment- See Addenda

Conferencing Facility.

Skylights.

The overall functional utility of the Subject is considered excellent, with good visibility and ingress and egress. Overall, the improvements appear very well-maintained. Photos of the subject property are located

on the following pages.

COLUSA

HIGHEST AND BEST USE ANALYSIS

Introduction

The highest and best use analysis is one of the most essential concepts in the valuation of real estate. It is the foundation on which market value is based. Standards Rule 1-3 (a) and (b) of the Uniform Standards of Professional Appraisal Practice (USPAP), require that in developing an appraisal, the appraiser must (a); “*identify and analyze the effect on use and value of existing land use regulations, reasonably probable modifications of such land use regulations, economic demand, the physical adaptability of the real estate, and market area trends; and* (b); “*develop an opinion of the highest and best use of the real estate.*” “*Comment: An appraiser must analyze the relevant legal, physical, and economic factors to the extent necessary to support the appraiser’s highest and best use conclusions(s). The appraiser must recognize that land is appraised as though vacant and available for development to its highest and best use, and that the appraisal of improvements is based on their actual contribution to the site.*”

According to the Appraisal Institute’s publication **The Appraisal of Real Estate** (Twelfth Edition, page 305), Highest and Best Use is defined as follows:

The reasonably probable and legal use of vacant land or an improved property, that is physically possible, legally permissible, appropriately supported, financially feasible, and that results in the highest value.

Criteria for Determining Highest and Best Use

Highest and best use is analyzed in two parts; 1) as though the site is vacant, and 2) as improved. There are four criteria in establishing highest and best use and these criteria are typically considered sequentially. The four stages are as follows:

- 1) *Legally permissible* – considers zoning and building codes, environmental regulations, and private deed restrictions.
- 2) *Physically Possible* – considers parcel size, shape, area, terrain, and potential for natural disasters.
- 3) *Financially Feasible* – all uses that meet the first two criteria and that produce a positive return are regarded as financially feasible.
- 4) *Maximally Productive* – among the financially feasible uses, the use that produces the highest rate of return to the land, is the maximally productive use.

The Highest and Best Use of an improved property is defined as that reasonable and most probable use that will support its highest present value. The Highest and Best Use, or most probable use, must be legal, physically possible, and marketable. The Highest and Best Use concept is based upon traditional appraisal theory and reflects the attitudes of typical buyers and sellers who recognize that value is predicated on future benefits. This theory is based upon the wealth maximization of the owner, with consideration given to community goals. A use which does not meet the needs of the public will not meet the above Highest and Best Use criteria.

The Highest and Best Use “As-If Vacant” and “As Existing” are discussed below.

HIGHEST AND BEST USE ANALYSIS

“AS-IF VACANT” ANALYSIS

LEGAL CONSIDERATIONS

Considering location and zoning regulations, only an industrial-related use would be locationally feasible.

PHYSICAL

The site has an essentially level topography at street grade. The area has been established as an industrial area for many years. Based upon physical considerations, the site is considered well suited for industrial use. There are several nearby proposed projects for large industrial development.

MARKET FEASIBILITY

As indicated earlier in the report, real estate values have declined significantly over the past several years as a result of the recession which began in 2007, but have begun to increase since 2012.

FINANCIAL FEASIBILITY

Financial feasibility is perhaps the most difficult factor to analyze. Several factors relating to financial feasibility are discussed. The resultant decline in profitability has limited developers who are able to obtain sufficient profit to build new projects.

MAXIMALLY PRODUCTIVE USE/HIGHEST AND BEST USE CONCLUSION

Paraphrasing the definition of Maximally Productive Use as presented in the 13th edition of *The Appraisal of Real Estate*, it is the use (on a risk adjusted basis) that produces the highest value of the property. The Maximally Productive Use is a subset of one or more uses that is legally permissible, physically possible and financially feasible. Historically, Highest and Best Use analysis has been generalized resulting in conclusions such as industrial, commercial, or industrial. Analysis of the Maximally Productive Use refines the traditional Highest and Best Use statement by focusing on a specific use such as retail versus flex, the scope of the potential development, and its timing. The subject site is zoned for industrial use, and has been working as an industrial use site for many years.

“AS-IMPROVED” ANALYSIS

Physical and locational characteristics of the property have been previously described in this report. The surrounding improvements are industrial.

CONCLUSION

In the short term, the Highest and Best Use of the subject property, is as an a hybrid renewable energy facility, its current and intended use.

EXPLANATION OF VALUATION METHODOLOGY

The appraisal process that is applied to most real estate properties is designed to evaluate all factors that influence value. Regional, city and neighborhood information has been presented to inform the reader of general outside influences that may affect value. In addition, the site and improvements have been described in detail. Interaction of the site and improvements establishes utility and desirability of the entire property. The Highest and Best Use section has been provided to evaluate the effect of legal, physical, and market considerations that determine the most probable use of the property. The next portion of the appraisal process deals directly with the valuation of the property.

The three accepted methods of valuation include the Cost Approach, the Income Capitalization Approach, and the Sales Comparison Approach.

Cost Approach - The Cost Approach is based upon the principle that the value of the property is significantly related to its physical characteristics, and that no one would pay more for a facility than it would cost to build a similar facility in today's market on a comparable site. In this approach, which is not considered market-oriented, the market value of the site is estimated and added to the estimated value of the improvements.

Income Capitalization Approach - The Income Capitalization Approach is based on the premise that commercial properties are income producing, and that investors purchase these properties based upon their income-producing ability. In the Income Capitalization Approach, the income producing capability of the subject is evaluated, the applicable operating expenses are deducted, and the resulting net income is capitalized into a value conclusion. This approach is based on an analysis of information extracted from the market **OR from economic data as provided in this report**) and provides a comparison of the subject to properties of similar character and income-producing ability.

Sales Comparison Approach - The Sales Comparison Approach is based on the principle of substitution. This principle states that no one would pay more for the subject property than the value of a similar property in the market. In active markets with a large number of physically similar properties, this approach is generally considered a good indicator of value.

Analysis of Value Conclusions - The approaches used to value the subject property will be correlated into a final value estimate in the Analysis of Value Conclusions section.

SALES COMPARISON APPROACH

SALES COMPARISON APPROACH

INTRODUCTION

The subject's immediate and surrounding area was surveyed for sales with similar characteristics to the subject. Discussions were held with knowledgeable real estate brokers working the area. We attempted to find recent sales of light industrial buildings from within the market area of the subject that we feel reflect a similar investor/ buyer appeal as the subject.

The subject is the basis for comparison. The "Price Per Square Foot" is a typical indicator of value when appraising industrial improvements. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or other sources thought reasonable, and all are considered appropriate for inclusion to the best of our factual judgment and knowledge. Although the degree of verification varies for each comparable, an impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market-related information. Nevertheless, we consider the data to have an appropriate degree of reliability.

In this section, the market value of the subject property will be estimated by comparing improved sales to the subject property. The sales will be compared to the subject based on their income producing abilities. The various elements of comparison will involve the sale price per square foot, and the total sale price.

SELECTION OF COMPARABLES

On the Sales Comparables, the sales were selected due to their similarities in appeal, location, and unit count.

ADJUSTMENT

The comparables have been adjusted based on their attractiveness to the average investor/ developer. A general analysis reflecting market behavior will examine the most significant differences between the comparables and the subject.

A review of the relevant Comparable Sales is presented on the pages following.

1 7120 Badiee Dr - 2

SOLD

Sacramento, CA 95835

Sale Date **Dec 1, 2022**
 Sale Price **\$23,472,692**
 Price/SF **\$179.35**
 Parcels **201-1020-032**
 Comp ID **6237977**
 Comp Status **Research Complete**

Sacramento

Type **4 Star Industrial Warehouse**
 Year Built **2022**
 RBA **125,692 SF**
 Land Acres **5.29 AC**
 Land SF **230,226 SF**
 Zoning **SPA**
 Sale Condition **Bulk/Portfolio Sale**



2 1051 Clover St

SOLD

Woodland, CA 95695

Sale Date **Nov 1, 2022**
 Sale Price **\$1,095,000**
 Price/SF **\$92.02**
 Parcels **005-124-021-000**
 Comp ID **6217119**
 Comp Status **Research Complete**

Yolo

Type **2 Star Industrial Warehouse**
 Year Built **1969**
 RBA **11,900 SF**
 Land Acres **1.23 AC**
 Land SF **53,709 SF**
 Zoning **Mixed Use**
 Sale Condition **Deferred Maintenance, High Vacancy Property**



3 1104 J St

SOLD

Marysville, CA 95901

Sale Date **Sep 9, 2022**
 Sale Price **\$1,775,000**
 Price/SF **\$61.63**
 Parcels **009-195-005-000**
 Comp ID **6151648**
 Comp Status **Research Complete**

Yuba

Type **2 Star Industrial Warehouse**
 Year Built **1960**
 RBA **28,800 SF**
 Land Acres **1.58 AC**
 Land SF **68,825 SF**
 Zoning **M-1**
 Sale Condition **Purchase By Tenant**



4 1250 Market St

SOLD

Yuba City, CA 95991

Sale Date **Jul 29, 2022**
 Sale Price **\$1,800,000**
 Price/SF **\$102.86**
 Parcels **51-540-118**
 Comp ID **6104557**
 Comp Status **Research Complete**

Sutter

Type **3 Star Industrial Warehouse**
 Year Built **2008**
 RBA **17,500 SF**
 Land Acres **1.18 AC**
 Land SF **51,401 SF**
 Zoning **M1- Light Industrial**
 Sale Condition **Investment Triple Net**



5 4335 Pacific St

SOLD

Rocklin, CA 95677

Sale Date **Jul 15, 2022**
 Sale Price **\$7,250,000**
 Price/SF **\$179.19**
 Actual Cap Rate **5.90%**
 Parcels **045-021-009**
 Comp ID **6096966**
 Comp Status **Research Complete**

Placer

Type **3 Star Industrial Manufacturing**
 Year Built **1984; Renov 2021**
 RBA **40,460 SF**
 Land Acres **2.90 AC**
 Land SF **126,324 SF**
 Zoning **M2, Rocklin**
 Sale Condition **Investment Triple Net**



6 1465 Tanforan Ave

SOLD

Woodland, CA 95776

Sale Date **Jul 8, 2022**
 Sale Price **\$5,430,000**
 Price/SF **\$113.13**
 Parcels **027-450-027-000**
 Comp ID **6089209**
 Comp Status **Research Complete**

Yolo

Type **3 Star Industrial Warehouse**
 Year Built **1975**
 RBA **48,000 SF**
 Land Acres **6.40 AC**
 Land SF **278,810 SF**
 Zoning **M-2**
 Sale Condition **Sale Leaseback**



7	411 N Pioneer Ave	SOLD
<p>Woodland, CA 95776</p> <p>Sale Date Jul 5, 2022 Sale Price \$7,200,000 Price/SF \$123.92 Parcels 027-450-001-000 Comp ID 6086344 Comp Status Research Complete</p>		<p>Yolo</p> <p>Type 3 Star Industrial Manufacturing Year Built 1979 RBA 58,100 SF Land Acres 5.18 AC Land SF 225,597 SF Zoning C-2/PD,Woodland</p> 
8	3195 Enterprise Ct	SOLD
<p>Loomis, CA 95650</p> <p>Sale Date Jul 5, 2022 Sale Price \$2,250,000 Price/SF \$225.00 Parcels 043-015-032 Comp ID 6086274 Comp Status Research Complete</p>		<p>Placer</p> <p>Type 3 Star Industrial Warehouse Year Built 2006 RBA 10,000 SF Land Acres 0.63 AC Land SF 27,443 SF Zoning I-L</p> 
9	195 Washington St	SOLD
<p>Gridley, CA 95948</p> <p>Sale Date Aug 10, 2022 Sale Price \$420,000 Price/SF \$32.31 Parcels 010-200-055-000 Comp ID 6110635 Comp Status Public Record</p>		<p>Butte</p> <p>Type 2 Star Industrial Warehouse Year Built 1915 RBA 13,000 SF Land Acres 0.85 AC Land SF 37,026 SF Sale Condition Redevelopment Project</p> 
10	4105 Delmar Ave	SOLD
<p>Rocklin, CA 95677</p> <p>Sale Date Jun 30, 2022 Sale Price \$2,318,952 Price/SF \$164.93 Parcels 045-350-020 Comp ID 6081699 Comp Status Research Complete</p>		<p>Placer</p> <p>Type 2 Star Industrial Warehouse Year Built 1991 RBA 14,416 SF Land Acres 15.40 AC Land SF 670,824 SF Zoning M1</p> 
11	1415 Whispering Pines Ln	SOLD
<p>Grass Valley, CA 95945</p> <p>Sale Date Jun 1, 2022 Sale Price \$2,550,000 Price/SF \$159.66 Actual Cap Rate 4.90% Parcels 009-690-002-000 Comp ID 6046234 Comp Status Research Complete</p>		<p>Nevada</p> <p>Type 2 Star Industrial Manufacturing Year Built 2004 RBA 15,971 SF Land Acres 2.42 AC Land SF 105,415 SF Zoning SP 1-A</p> 
12	1905 Aviation Blvd	SOLD
<p>Lincoln, CA 95648</p> <p>Sale Date May 6, 2022 Sale Price \$3,160,000 Price/SF \$133.62 Parcels 021-562-005, 021-562-007 Comp ID 6025215 Comp Status Research Complete</p>		<p>Placer</p> <p>Type 2 Star Industrial Warehouse Year Built 1985 RBA 23,650 SF Land Acres 1.50 AC Land SF 65,340 SF Zoning N/Av Sale Condition Lease Option, Purchase By Tenant</p> 

13 2945 Niagara Rd

SOLD

Colusa, CA 95932

Colusa

Sale Date **Apr 14, 2022**
Sale Price **\$2,150,000**
Price/SF **\$119.05**
Parcels **017-130-029-000**
Comp ID **5980951**
Comp Status **Research Complete**

Type **2 Star Industrial Manufacturing**
Year Built **1990**
RBA **18,060 SF**
Land Acres **6.00 AC**
Land SF **261,360 SF**
Zoning **M2**



14 3617 Cincinnati Ave - Energy Absorption

SOLD

Rocklin, CA 95765

Placer

Sale Date **Feb 28, 2022**
Sale Price **\$7,100,000**
Price/SF **\$309.13**
Parcels **017-200-022**
Comp ID **5919817**
Comp Status **Research Complete**

Type **2 Star Industrial Warehouse**
Year Built **1988**
RBA **22,968 SF**
Land Acres **8.30 AC**
Land SF **361,548 SF**
Zoning **INP-DC**
Sale Condition **Excess Land**



1905 Aviation Blvd
 Lincoln Air Center
 Lincoln, CA 95648
 Class B Warehouse Building of 23,650 SF Sold on 5/6/2022 for \$3,160,000 - Research Complete

buyer

Superior Equipment Repair Inc
 1905 Aviation Blvd
 Lincoln, CA 95648
 (530) 888-0795

seller

Dwayne R. & Jill L. Nash
 2905 Virginiatown Rd
 Lincoln, CA 95648
 (916) 434-1799



vital data

Escrow/Contract: -	Sale Price: \$3,160,000
Sale Date: 5/6/2022	Status: Confirmed
Days on Market: -	Building SF: 23,650 SF
Exchange: No	Price/SF: \$133.62
Conditions: Lease Option, Purchase By Tenant	Pct Office: 10.0%
Land Area SF: 65,340	Pro Forma Cap Rate: -
Acres: 1.5	Actual Cap Rate: -
\$/SF Land Gross: \$48.36	Down Pmnt: -
Year Built, Age: 1985 Age: 37	Pct Down: -
Parking Spaces: 60	Doc No: 039493
Parking Ratio: 2.5/1000 SF	Trans Tax: \$3,476
FAR: 0.36	Corner: No
Lot Dimensions: 215x600	Zoning: N/Av
Frontage: -	Percent Improved: 59.2%
Tenancy: Multi	Submarket: Roseville/Rocklin Ind
Comp ID: 6025215	Map Page: Thomas Bros. Guide 179-C2
	Parcel No: 021-562-007 [Partial List]
	Property Type: Industrial

income expense data

Listing Broker

Kidder Mathews
 2237 Douglas Blvd
 Roseville, CA 95661
 (916) 751-3600
 Jeff Pehrson

Buyer Broker

Kidder Mathews
 2237 Douglas Blvd
 Roseville, CA 95661
 (916) 751-3600
 Jeff Pehrson

financing

prior sale

1st Newtek Small Business Finance (Acquisition & Development)
 Bal/Pmt: \$5,000,000

Date/Doc No:	11/23/2005
Sale Price:	\$2,280,000
CompID:	1081047

7120 Badiee Dr
 2
 Sacramento, CA 95835
 Class A Warehouse Building of 125,692 SF Sold on 12/1/2022
 for \$23,472,692 - Research Complete (Part of Multi-Property)



buyer

BentallGreenOak
 399 Park Ave
 New York, NY 10022
 (212) 359-7800

seller

Badiee Development Inc.
 c/o Mark Demetre
 1261 Prospect St
 La Jolla, CA 92037
 (888) 815-8886

vital data

Escrow/Contract:	210 days	Sale Price:	\$23,472,692
Sale Date:	12/1/2022	Status:	Allocated
Days on Market:	-	Building SF:	125,692 SF
Exchange:	No	Price/SF:	\$186.75
Conditions:	Bulk/Portfolio Sale	Pro Forma Cap Rate:	-
Land Area SF:	230,228	Actual Cap Rate:	-
Acres:	5.29	Down Pmnt:	-
\$/SF Land Gross:	\$101.95	Pct Down:	-
Year Built, Age:	2022	Doc No:	202212010490
Parking Spaces:	103	Trans Tax:	\$60,918.55
Parking Ratio:	0.82/1000 SF	Corner:	No
FAR:	0.55	Zoning:	SPA
Lot Dimensions:	-	Percent Improved:	-
Frontage:	-	Submarket:	Natomas/Northgate Ind
Tenancy:	-	Map Page:	-
Comp ID:	6237977	Parcel No:	-
		Property Type:	Industrial

income expense data

Listing Broker

Cushman & Wakefield
 18111 Von Karman Ave
 Irvine, CA 92612
 (949) 474-4004
 Jeff Chiate, Rick Ellison, Mike Adey

Buyer Broker

Colliers
 301 University Ave
 Sacramento, CA 95825
 (916) 929-5999
 Mark Demetre

financing

3617 Cincinnati Ave
 Energy Absorption
 Rocklin, CA 95765
 Class C Warehouse Building of 22,968 SF Sold on 2/28/2022 for \$7,100,000 - Research Complete

buyer

Spirit Realty Capital, Inc.
 2727 N Harwood St
 Dallas, TX 75201
 (972) 476-1900

seller

Trinity Industries, Inc.
 c/o Trinity Industries, Inc.
 14221 N Dallas Pky
 Dallas, TX 75254
 (214) 631-4420



vital data

Escrow/Contract: -	Sale Price: \$7,100,000
Sale Date: 2/28/2022	Status: Full Value
Days on Market: -	Building SF: 22,968 SF
Exchange: No	Price/SF: \$309.13
Conditions: Excess Land	Pro Forma Cap Rate: -
Land Area SF: 361,548	Actual Cap Rate: -
Acres: 8.3	Down Pmnt: \$7,100,000
\$/SF Land Gross: \$19.64	Pct Down: 100.0%
Year Built, Age: 1988 Age: 34	Doc No: 018185
Parking Spaces: -	Trans Tax: \$7,810
Parking Ratio: 2.5/1000 SF	Corner: No
FAR: 0.06	Zoning: INP-DC
Lot Dimensions: -	No Tenants: 2
Frontage: -	Percent Improved: 45.5%
Tenancy: Single	Submarket: Roseville/Rocklin Ind
Comp ID: 5919817	Map Page: -
	Parcel No: 017-200-022
	Property Type: Industrial

income expense data

Listing Broker

Buyer Broker

financing

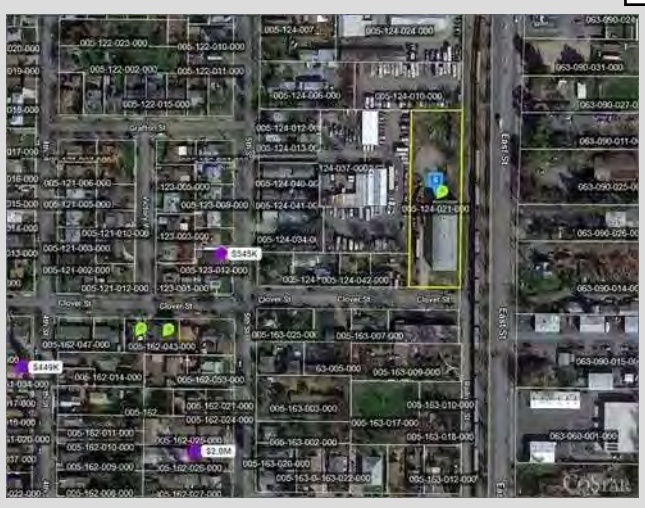
1051 Clover St
 Woodland, CA 95695
 Class C Warehouse Building of 11,900 SF Sold on 11/1/2022 for \$1,095,000 - Research Complete

buyer

Anthony Romero
 c/o Anthony Romero
 34743 County Road 33
 Woodland, CA 95695
 (707) 333-0557

seller

James And Cathleen Welts Living Trust
 474 Dorman Ave
 Yuba City, CA 95991
 (530) 674-1398



vital data

Escrow/Contract: -	Sale Price: \$1,095,000
Sale Date: 11/1/2022	Status: Confirmed
Days on Market: -	Building SF: 11,900 SF
Exchange: No	Price/SF: \$92.02
Conditions: Deferred Maintenance, High ...	Pro Forma Cap Rate: -
Land Area SF: 53,709	Actual Cap Rate: -
Acres: 1.23	Down Pmnt: \$270,000
\$/SF Land Gross: \$20.39	Pct Down: 24.7%
Year Built, Age: 1969 Age: 53	Doc No: 024551
Parking Spaces: 10	Trans Tax: \$1,204.50
Parking Ratio: 0.84/1000 SF	Corner: No
FAR: 0.22	Zoning: Mixed Use
Lot Dimensions: -	Percent Improved: 70.6%
Frontage: -	Submarket: Davis/Woodland Ind
Tenancy: -	Map Page: -
Comp ID: 6217119	Parcel No: 005-124-021-000
	Property Type: Industrial

income expense data

Listing Broker

CBRE
 500 Capitol Mall
 Sacramento, CA 95814
 (916) 446-6800
 Dave Planting

Buyer Broker

CBRE
 500 Capitol Mall
 Sacramento, CA 95814
 (916) 446-6800
 Dave Planting

financing

4105 Delmar Ave

Rocklin Ranch Business Pk
Rocklin, CA 95677

Class B Warehouse Building of 14,416 SF Sold on 6/30/2022 for \$2,318,952 - Research Complete (Part of Multi-Property)

buyer

The Shaw 1989 Revocable Trust
1411 Oliver Rd
Fairfield, CA 94534
(925) 682-4830

seller

Lisa Hofmann Morgan Revocable Trust
PO Box 907
Concord, CA 94522
(925) 413-1309



vital data

Escrow/Contract: -	Sale Price: \$2,318,952
Sale Date: 6/30/2022	Status: Allocated
Days on Market: -	Building SF: 14,416 SF
Exchange: No	Price/SF: \$160.86
Conditions: -	Pro Forma Cap Rate: -
Land Area SF: 670,824	Actual Cap Rate: -
Acres: 15.4	Down Pmnt: -
\$/SF Land Gross: \$3.46	Pct Down: -
Year Built, Age: 1991 Age: 31	Doc No: 053794
Parking Spaces: 26	Trans Tax: \$5,797
Parking Ratio: 2.5/1000 SF	Corner: No
FAR: 0.02	Zoning: M1
Lot Dimensions: -	No Tenants: 6
Frontage: -	Percent Improved: -
Tenancy: Multi	Submarket: Roseville/Rocklin Ind
Comp ID: 6081699	Map Page: Thomas Bros. Guide 220-G1
	Parcel No: -
	Property Type: Industrial

income expense data

Listing Broker

Buyer Broker

financing

3195 Enterprise Ct
 Loomis, CA 95650
 Class B Warehouse Building of 10,000 SF Sold on 7/5/2022 for \$2,250,000 - Research Complete



buyer

Levi Wayne Aronson
 1575 Naturewood Dr
 Meadow Vista, CA 95722
 (916) 243-9350

seller

Wingate Family Trust
 10913 Sunrise Ridge Cir
 Auburn, CA 95603
 (916) 316-1707

vital data

Escrow/Contract: -	Sale Price: \$2,250,000
Sale Date: 7/5/2022	Status: Confirmed
Days on Market: -	Building SF: 10,000 SF
Exchange: No	Price/SF: \$225.00
Conditions: -	Pro Forma Cap Rate: -
Land Area SF: 27,443	Actual Cap Rate: -
Acres: 0.63	Down Pmnt: \$550,000
\$/SF Land Gross: \$81.99	Pct Down: 24.4%
Year Built, Age: 2006 Age: 16	Doc No: 054781
Parking Spaces: 9	Trans Tax: \$2,475
Parking Ratio: 0.9/1000 SF	Corner: No
FAR 0.36	Zoning: I-L
Lot Dimensions: -	No Tenants: 1
Frontage: -	Percent Improved: -
Tenancy: Single	Submarket: Roseville/Rocklin Ind
Comp ID: 6086274	Map Page: -
	Parcel No: 043-015-032
	Property Type: Industrial

income expense data

Listing Broker

Crossroad Ventures Group
 107 Center St
 Roseville, CA 95678
 (916) 788-9731
 Jim Esway, Travis Esway

Buyer Broker

Crossroad Ventures Group
 107 Center St
 Roseville, CA 95678
 (916) 788-9731
 Travis Esway

financing

prior sale

1st Seller (Construction)
 Bal/Pmt: \$1,700,000

Date/Doc No:	3/1/2007
Sale Price:	\$0
CompID:	1259332

1104 J St

Marysville, CA 95901

Class C Warehouse Building of 28,800 SF Sold on 9/9/2022 for \$1,775,000 - Research Complete



buyer

Bridge Of Yuba City
c/o The Bridge Church
424 Epley Dr
Yuba City, CA 95991
(530) 674-0400

seller

Gurmail & Jit Singh
PO Box 61
Yuba City, CA 95992
(530) 236-5258

vital data

Escrow/Contract: -	Sale Price: \$1,775,000
Sale Date: 9/9/2022	Status: Confirmed
Days on Market: -	Building SF: 28,800 SF
Exchange: No	Price/SF: \$61.63
Conditions: Purchase By Tenant	Pct Office: 12.2%
Land Area SF: 68,825	Pro Forma Cap Rate: -
Acres: 1.58	Actual Cap Rate: -
\$/SF Land Gross: \$25.79	Down Pmnt: -
Year Built, Age: 1960 Age: 62	Pct Down: -
Parking Spaces: 49	Doc No: 013615
Parking Ratio: 1.7/1000 SF	Trans Tax: -
FAR: 0.42	Corner: No
Lot Dimensions: -	Zoning: M-1
Frontage: -	No Tenants: 1
Tenancy: Multi	Percent Improved: 83.6%
Comp ID: 6151648	Submarket: Marysville/Yuba City Ind
	Map Page: Thomas Bros. Guide 7733-B2
	Parcel No: 009-195-005-000
	Property Type: Industrial

income expense data

Listing Broker

No Listing Broker on Deal

Buyer Broker

No Buyer Broker on Deal

financing

prior sale

1st Five Star Bank
Bal/Pmt: \$1,775,000

Date/Doc No: 9/16/2019
Sale Price: \$1,525,000
CompID: 4909540

1250 Market St

Yuba City, CA 95991

Class B Warehouse Building of 17,500 SF Sold on 7/29/2022 for \$1,800,000 - Research Complete



buyer

Rynecki Properties
c/o Elizabeth Rynecki
751 E Blithedale Ave
Mill Valley, CA 94942
(415) 388-1110

seller

George & Shirley Murray Trust 1994
c/o George Murray
1250 Market St
Yuba City, CA 95991
(530) 673-3916

vital data

Escrow/Contract: -	Sale Price: \$1,800,000
Sale Date: 7/29/2022	Status: Confirmed
Days on Market: 23 days	Building SF: 17,500 SF
Exchange: No	Price/SF: \$102.86
Conditions: Investment Triple Net	Pct Office: 8.6%
Land Area SF: 51,401	Pro Forma Cap Rate: -
Acres: 1.18	Actual Cap Rate: -
\$/SF Land Gross: \$35.02	Down Pmnt: \$1,800,000
Year Built, Age: 2008 Age: 14	Pct Down: 100.0%
Parking Spaces: 14	Doc No: 2022.10568
Parking Ratio: 3/1000 SF	Trans Tax: \$1,980
FAR: 0.34	Corner: No
Lot Dimensions: -	Zoning: M1- Light Industrial
Frontage: -	No Tenants: 8
Tenancy: Multi	Percent Improved: 100.0%
Comp ID: 6104557	Submarket: Marysville/Yuba City Ind
	Map Page: -
	Parcel No: 51-540-118
	Property Type: Industrial

income expense data

Listing Broker

Meagher & Tomlinson Co.
1007 Live Oak Blvd
Yuba City, CA 95991
(530) 671-0000
Julie Sutton

Buyer Broker

No Buyer Broker on Deal

financing

prior sale

Date/Doc No:	11/26/2008
Sale Price:	\$1,250,000
CompID:	1621370

2945 Niagara Rd
 Colusa, CA 95932
 Class C Manufacturing Building of 18,060 SF Sold on 4/14/2022
 for \$2,150,000 - Research Complete



buyer

Dharamvir Singh
 9237 Earl Fife Dr
 Elk Grove, CA 95624
 (916) 370-1925

seller

Donald & Margie Van Pelt
 PO Box 140
 Clearlake Oaks, CA 95423
 (707) 998-1541

vital data

Escrow/Contract: 30 days	Sale Price: \$2,150,000
Sale Date: 4/14/2022	Status: Confirmed
Days on Market: 156 days	Building SF: 18,060 SF
Exchange: No	Price/SF: \$119.05
Conditions: -	Pro Forma Cap Rate: -
Land Area SF: 261,360	Actual Cap Rate: -
Acres: 6	Down Pmnt: \$801,000
\$/SF Land Gross: \$8.23	Pct Down: 37.3%
Year Built, Age: 1990 Age: 32	Doc No: 1473
Parking Spaces: -	1474
Parking Ratio: -	Trans Tax: -
FAR 0.07	Corner: No
Lot Dimensions: -	Zoning: M2
Frontage: -	No Tenants: 1
Tenancy: -	Percent Improved: 78.0%
Comp ID: 5980951	Submarket: -
	Map Page: -
	Parcel No: 017-130-029-000
	Property Type: Industrial

income expense data

Listing Broker

LandX Inc.
 2949 Niagara Ave
 Colusa, CA 95932
 (530) 848-3314
 Brad Hulbert

Buyer Broker

Colliers
 301 University Ave
 Sacramento, CA 95825
 (916) 929-5999
 Spencer Applegate

financing

prior sale

1st US Bank
 Bal/Pmt: \$1,349,000

Date/Doc No: 11/21/2013
 Sale Price: \$410,000
 CompID: 2940691

4335 Pacific St
 Rocklin, CA 95677
 Class C Manufacturing Building of 40,460 SF Sold on 7/15/2022
 for \$7,250,000 - Research Complete



buyer

James Kurt Steil
 79 Capilano Dr
 Novato, CA 94949
 (650) 400-5520

seller

Jason Bamberg
 4335 Pacific St
 Rocklin, CA 95677
 (916) 543-4600

vital data

Escrow/Contract: -	Sale Price: \$7,250,000
Sale Date: 7/15/2022	Status: Confirmed
Days on Market: 77 days	Building SF: 40,460 SF
Exchange: No	Price/SF: \$179.19
Conditions: Investment Triple Net	Pro Forma Cap Rate: -
Land Area SF: 126,324	Actual Cap Rate: 5.90%
Acres: 2.9	Down Pmnt: \$6,250,000
\$/SF Land Gross: \$57.39	Pct Down: 86.2%
Year Built, Age: 1984 Age: 38	Doc No: 057693
Parking Spaces: 60	Trans Tax: \$7,975
Parking Ratio: 0.5/1000 SF	Corner: No
FAR: 0.32	Zoning: M2, Rocklin
Lot Dimensions: 245x512	No Tenants: 3
Frontage: -	Percent Improved: 78.0%
Tenancy: -	Submarket: Roseville/Rocklin Ind
Comp ID: 6096966	Map Page: Thomas Bros. Guide 200-G7
	Parcel No: 045-021-009
	Property Type: Industrial

income expense data

Net Income	Net Operating Income	\$428,683
	- Debt Service	
	- Capital Expenditure	
	Cash Flow	

Listing Broker

TRI Commercial/CORFAC International Inc.
 3400 Douglas Blvd
 Roseville, CA 95661
 (916) 677-8000
 Rick Phillips

Buyer Broker

Keegan & Coppin Inc.
 101 Larkspur Landing Cir
 Larkspur, CA 94939
 (415) 461-1010
 Nathan Ballard

financing

1st Private Lender
 Bal/Pmt: \$1,000,000

prior sale

Date/Doc No:	11/15/2017
Sale Price:	-
CompID:	4075349

411 N Pioneer Ave
 Woodland, CA 95776
 Class B Manufacturing Building of 58,100 SF Sold on 7/5/2022
 for \$7,200,000 - Research Complete



buyer

Matthew C Morehart And Sally Shade Morehart R
 411 N Pioneer Ave
 Woodland, CA 95776
 (530) 661-1764

seller

Ken Astle
 83 Scripps Dr
 Sacramento, CA 95825
 (916) 924-0800

vital data

Escrow/Contract: -	Sale Price: \$7,200,000
Sale Date: 7/5/2022	Status: Full Value
Days on Market: -	Building SF: 58,100 SF
Exchange: No	Price/SF: \$123.92
Conditions: -	Pro Forma Cap Rate: -
Land Area SF: 225,597	Actual Cap Rate: -
Acres: 5.18	Down Pmnt: \$2,880,000
\$/SF Land Gross: \$31.92	Pct Down: 40.0%
Year Built, Age: 1979 Age: 43	Doc No: 015802
Parking Spaces: 10	Trans Tax: \$7,920
Parking Ratio: 1/1000 SF	Corner: No
FAR 0.26	Zoning: C-2/PD, Woodland
Lot Dimensions: -	No Tenants: 1
Frontage: 510 feet on Kentucky 520 feet ...	Percent Improved: 69.9%
Tenancy: Multi	Submarket: Davis/Woodland Ind
Comp ID: 6086344	Map Page: Thomas Bros. Guide 316-D4
	Parcel No: 027-450-001-000
	Property Type: Industrial

income expense data

Listing Broker

Buyer Broker

financing

prior sale

1st River City Bank
 Bal/Pmt: \$4,320,000

Date/Doc No: 12/30/1994
 Sale Price: \$1,000,000
 CompID: 110938

1465 Tanforan Ave
 Woodland, CA 95776
 Class C Warehouse Building of 48,000 SF Sold on 7/8/2022 for \$5,430,000 - Research Complete



buyer

STORE Capital Corporation
 8377 E Hartford Dr
 Scottsdale, AZ 85255
 (480) 256-1100

seller

Mann Lake LTD
 501 1st St S
 Hackensack, MN 56452
 (800) 880-7694

vital data

Escrow/Contract: -	Sale Price: \$5,430,000
Sale Date: 7/8/2022	Status: Full Value
Days on Market: -	Building SF: 48,000 SF
Exchange: No	Price/SF: \$113.13
Conditions: Sale Leaseback	Pct Office: 5.8%
Land Area SF: 278,810	Pro Forma Cap Rate: -
Acres: 6.4	Actual Cap Rate: -
\$/SF Land Gross: \$19.48	Down Pmnt: -
Year Built, Age: 1975 Age: 47	Pct Down: -
Parking Spaces: -	Doc No: 016075
Parking Ratio: 2/1000 SF	Trans Tax: \$5,973
FAR 0.17	Corner: No
Lot Dimensions: -	Zoning: M-2
Frontage: -	No Tenants: 1
Tenancy: Single	Percent Improved: 86.0%
Comp ID: 6089209	Submarket: Davis/Woodland Ind
	Map Page: Thomas Bros. Guide 316-C1
	Parcel No: 027-450-027-000
	Property Type: Industrial

income expense data

Listing Broker

Buyer Broker

financing

prior sale

Date/Doc No:	12/21/2011
Sale Price:	\$1,812,500
CompID:	2234516

195 Washington St
 Gridley, CA 95948
 Class C Warehouse Building of 13,000 SF Sold on 8/10/2022 for \$420,000 - Public Record



buyer

seller

Andrea Miller

vital data

Escrow/Contract: -	Sale Price: \$420,000
Sale Date: 8/10/2022	Status: -
Days on Market: 149 days	Building SF: 13,000 SF
Exchange: No	Price/SF: \$32.31
Conditions: Redevelopment Project	Pro Forma Cap Rate: -
Land Area SF: 37,026	Actual Cap Rate: -
Acres: 0.85	Down Pmnt: -
\$/SF Land Gross: \$11.34	Pct Down: -
Year Built, Age: 1915 Age: 107	Doc No: -
Parking Spaces: -	Trans Tax: -
Parking Ratio: -	Corner: No
FAR 0.35	Zoning: -
Lot Dimensions: -	No Tenants: 1
Frontage: -	Percent Improved: -
Tenancy: -	Submarket: -
Comp ID: 6110635	Map Page: -
	Parcel No: -
	Property Type: Industrial

income expense data

Listing Broker

River Valley Community Outreach Center, Inc.
 195 Washington St
 Gridley, CA 95948
 (530) 701-4462
 Mark Miller

Buyer Broker

financing

prior sale

Date/Doc No:	9/18/2012
Sale Price:	\$150,000
CompID:	2583743

1415 Whispering Pines Ln

Grass Valley, CA 95945

Class B Manufacturing Building of 15,971 SF Sold on 6/1/2022 for \$2,550,000 - Research Complete



buyer

Linda Merslich
1650 Cordilleras Rd
Redwood City, CA 94062
(650) 260-3649

seller

Wickland Corp
c/o Bruce Johnson
8950 Cal Center Dr
Sacramento, CA 95826
(916) 978-2400

vital data

Escrow/Contract: -	Sale Price: \$2,550,000
Sale Date: 6/1/2022	Status: Confirmed
Days on Market: 216 days	Building SF: 15,971 SF
Exchange: No	Price/SF: \$159.66
Conditions: -	Pct Office: 33.0%
Land Area SF: 105,415	Pro Forma Cap Rate: -
Acres: 2.42	Actual Cap Rate: 4.90%
\$/SF Land Gross: \$24.19	Down Pmnt: \$1,089,125
Year Built, Age: 2004 Age: 18	Pct Down: 42.7%
Parking Spaces: 68	Doc No: 000000011685
Parking Ratio: 4.26/1000 SF	Trans Tax: -
FAR: 0.15	Corner: No
Lot Dimensions: -	Zoning: SP 1-A
Frontage: -	No Tenants: 2
Tenancy: Multi	Percent Improved: 71.4%
Comp ID: 6046234	Submarket: -
	Map Page: -
	Parcel No: 009-690-002-000
	Property Type: Industrial

income expense data

Net Income	Net Operating Income	\$124,950
	- Debt Service	
	- Capital Expenditure	
	Cash Flow	

Listing Broker

Colliers
301 University Ave
Sacramento, CA 95825
(916) 929-5999
Tommy Ponder, George Vrame

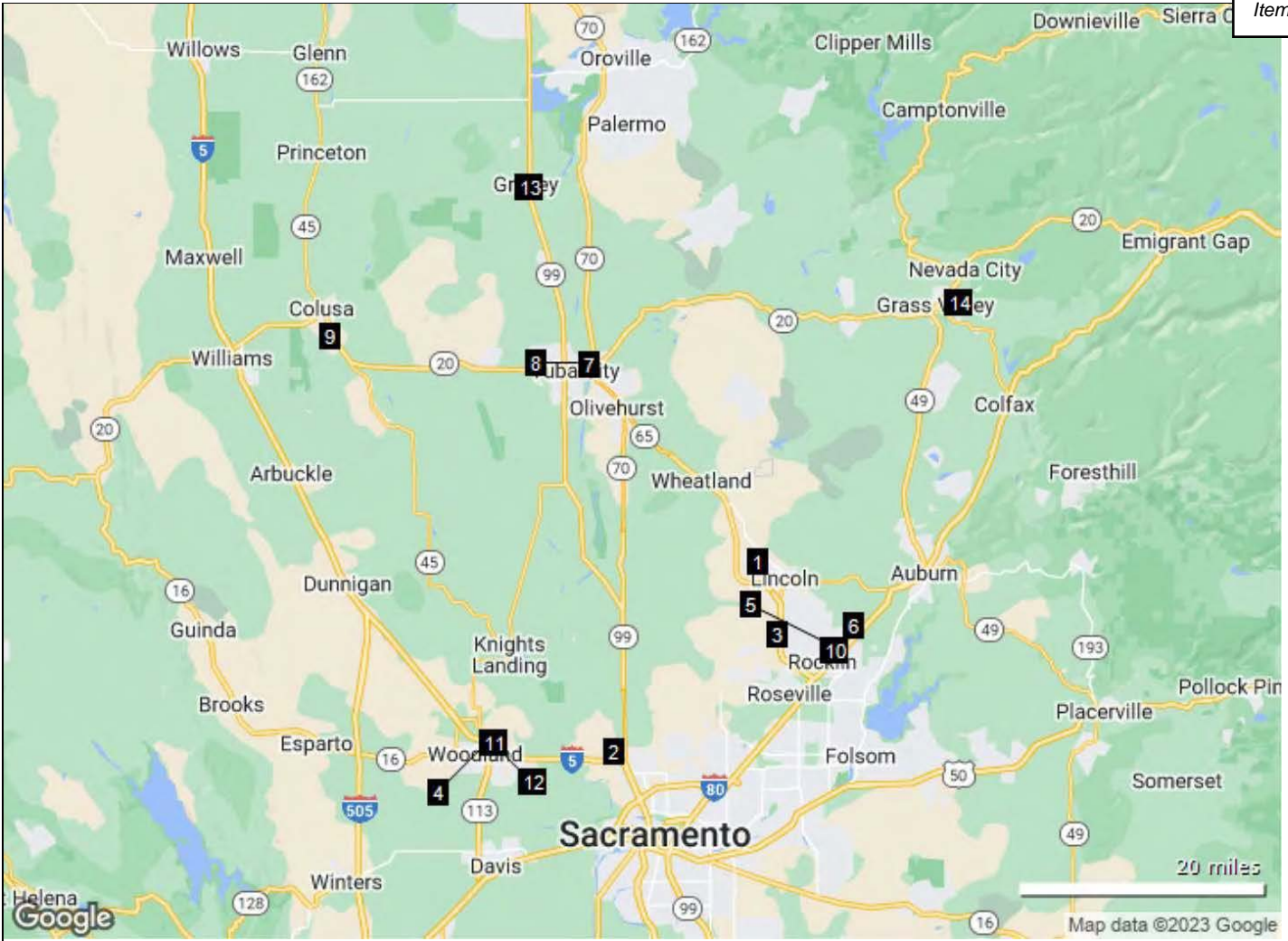
Buyer Broker

financing

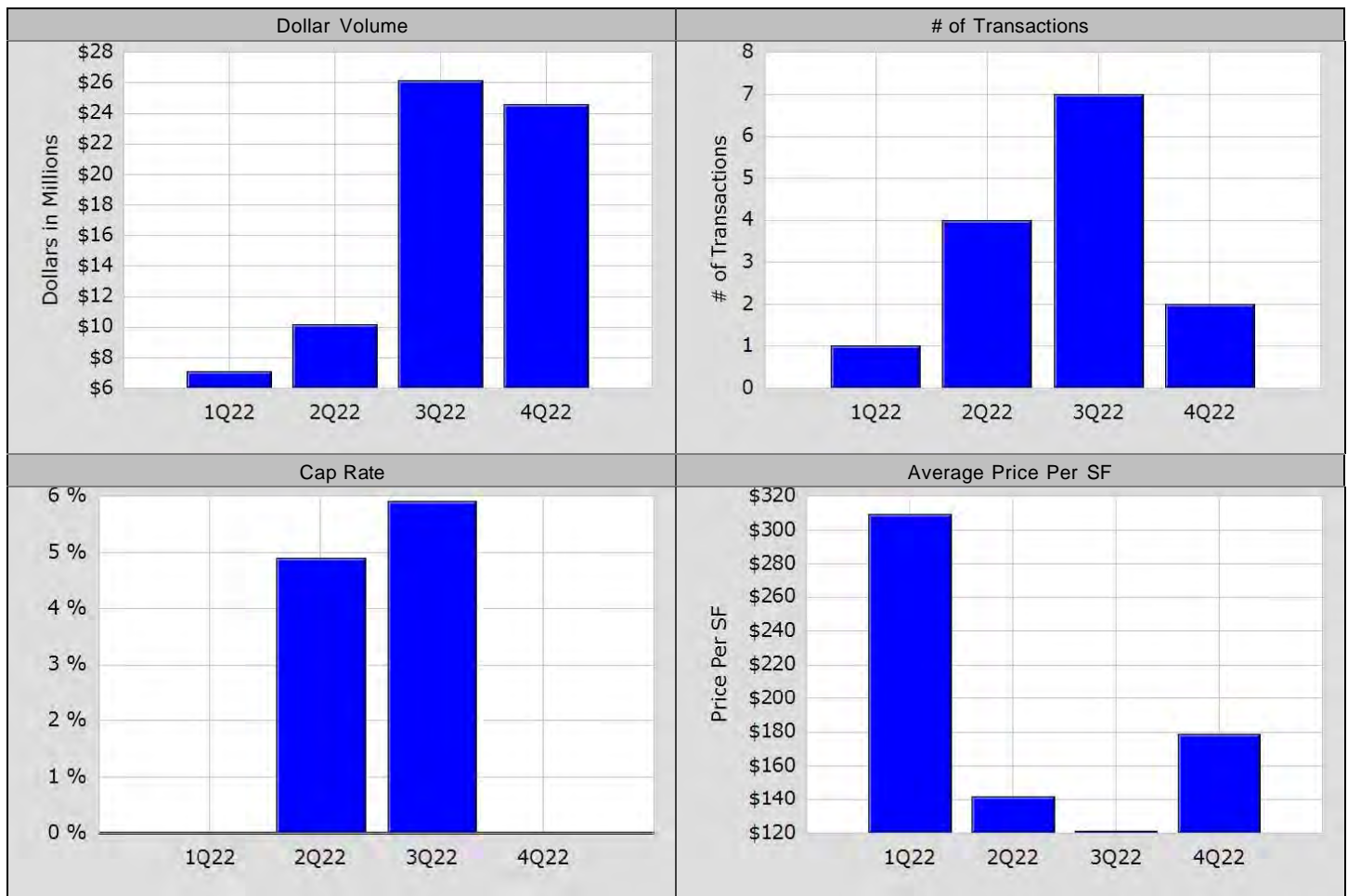
1st Oak Valley Community Bank (Acquisition & Development)
Bal/Pmnt: \$1,460,875

prior sale

Date/Doc No:	5/10/2016
Sale Price:	-
CompID:	3602292



	Address	City	Property Info	Sale Info
1	1905 Aviation Blvd	Lincoln	23,650 SF Industrial/Warehouse	Sold: \$3,160,000 (\$133.62/SF)
2	7120 Badiie Dr (Part of Multi-Property Sale)	Sacramento	125,692 SF Industrial/Warehouse	Sold: \$23,472,692 (\$186.75/SF)
3	3617 Cincinnati Ave	Rocklin	22,968 SF Industrial/Warehouse	Sold: \$7,100,000 (\$309.13/SF)
4	1051 Clover St	Woodland	11,900 SF Industrial/Warehouse	Sold: \$1,095,000 (\$92.02/SF)
5	4105 Delmar Ave (Part of Multi-Property Sale)	Rocklin	14,416 SF Industrial/Warehouse	Sold: \$2,318,952 (\$160.86/SF)
6	3195 Enterprise Ct	Loomis	10,000 SF Industrial/Warehouse	Sold: \$2,250,000 (\$225/SF)
7	1104 J St	Marysville	28,800 SF Industrial/Warehouse	Sold: \$1,775,000 (\$61.63/SF)
8	1250 Market St	Yuba City	17,500 SF Industrial/Warehouse	Sold: \$1,800,000 (\$102.86/SF)
9	2945 Niagara Rd	Colusa	18,060 SF Industrial/Manufacturing	Sold: \$2,150,000 (\$119.05/SF)
10	4335 Pacific St	Rocklin	40,460 SF Industrial/Manufacturing	Sold: \$7,250,000 (\$179.19/SF)
11	411 N Pioneer Ave	Woodland	58,100 SF Industrial/Manufacturing	Sold: \$7,200,000 (\$123.92/SF)
12	1465 Tanforan Ave	Woodland	48,000 SF Industrial/Warehouse	Sold: \$5,430,000 (\$113.13/SF)
13	195 Washington St	Gridley	13,000 SF Industrial/Warehouse	Sold: \$420,000 (\$32.31/SF)
14	1415 Whispering Pines Ln	Grass Valley	15,971 SF Industrial/Manufacturing	Sold: \$2,550,000 (\$159.66/SF)



Legend:		Report Time Frame: 1/1/2022 - 2/24/2023 Sale Date: from 2/24/2021	
Current Survey		Sold Transactions	
Sold Transactions	█	Number of Transactions	14
		Total Dollar Volume	\$67,971,644
		Total Bldg Square Feet	448,517
		Total Land in Acres	58.86
		Total Land in SF	2,563,942
		Average Price	\$4,855,117
		Average Number of SF	32,037
Time Interval - Quarterly		Average Price Per Bldg SF	\$151.55
		Median Price Per SF	\$128.77
		Average Number of Acres	4.20
		Average Number of SF(Land)	183,139
		Average Price Per Unit	-
		Median Price Per Unit	-
		Average Number of Units	-
		Actual Cap Rate	5.40%

Survey Criteria

basic criteria: Type of Property - Industrial; Property Size - from 10,000 SF; Sale Date - from 2/24/2021; Sale Status - Sold, Under Contract/Pending; Return and Search on Portfolio Sales as Individual Properties - Yes; Exclude Non-Arms Length Comps - Yes

geography criteria: Geography - User Defined Polygon Search

additional criteria: - * This result set has been amended with criteria to add and/or remove records.

Trend Report

Item 5.

	1Q22 01/1-3/31/22	2Q22 04/1-6/30/22	3Q22 07/1-9/30/22	4Q22 10/1-12/31/22
	Sold Transaction	Sold Transaction	Sold Transaction	Sold Transaction
Number of Transactions	1	4	7	2
Total Dollar Volume	\$7,100,000	\$10,178,952	\$26,125,000	\$24,567,692
Total Bldg Square Feet	22,968	72,097	215,860	137,592
Total Land in Acres	8.30	25.32	18.72	6.52
Total Land in SF	361,548	1,102,939	815,443	284,011
Average Price	\$7,100,000	\$2,544,738	\$3,732,143	\$12,283,846
Average Number of SF	22,968	18,024	30,837	68,796
Average Price Per Bldg SF	\$309.13	\$141.18	\$121.03	\$178.55
Median Price Per SF	\$309.13	\$146.64	\$113.13	\$139.39
Average Number of Acres	8.30	6.33	2.67	3.26
Average Number of SF(Land)	361,548	275,735	116,492	142,006
Average Price Per Unit	-	-	-	-
Median Price Per Unit	-	-	-	-
Average Number of Units	-	-	-	-
Actual Cap Rate	-	4.90%	5.90%	-

SALES COMPARISON APPROACH

Selection of Comparable Sales

The sales comparison approach to value depends on the availability of a sufficient number of sales of similar competing properties. The best comparable sales in this approach would be sales located in the same neighborhood as the subject, recently sold, and sales which are similar to the subject property in physical characteristics such as building type, age, story design, quality, condition, lot size, building size, land-to-building ratio, and use as an industrial property. An intensive sales search was conducted throughout the area to discover other sales similar to the subject. Fourteen sales of properties possessing characteristics similar to the subject property were the best available at the time of the inspection. All comparable sales are located within the subject property's immediate market area but is not limited to the immediate bordering areas in all directions. The sales are considered the best available within the subject's marketing area. The comparable sales are summarized below.

Analysis of the Selection of the Improved Sales

A thorough search was made in the subject's general market area for sales transactions of properties similar to the subject property, in order to derive an indication of value for the subject property. However, due to the state of the real estate market, very few sales of renewable energy properties with similar amenities to the subject is in its completed state were found. This required us to broaden our search to include other areas within and near Colusa county. As appraisers we believe that they can be judged to be situated in market areas with similar demand elements and market characteristics. The comparable sales displayed are deemed to provide the best indicators of the subject property's market value available at the time of inspection.

Summary of the Sales Comparison Approach

Fourteen comparable sales were used in the determination of an estimated market value for the subject property by the Sales Comparison Approach. The properties are the most similar building sizes on similar size lots, with differences as to construction quality, physical condition and other amenities. As such, they are felt to be supportive in establishing a price per square foot indication of value for the subject property.

In this analysis, we did not use a conventional adjustment grid, as the data for these parcels of Improvements are generally insufficient to prove most kinds of adjustments, but qualitative techniques were used for differences in orientation, visibility, and location.

SALES COMPARISON APPROACH

A time of sale adjustment of was deemed to be not warranted, due to current market conditions.

The selected comparable properties indicate the unadjusted price range of \$32 to \$309 per square foot of building area, not including the land area, a typical range for these types of properties in a similar market area. This range in unadjusted sales prices per square foot demonstrates the location quality differences in this regional area, and the differences in condition. The range changes after the analysis for property rights, financing terms, condition of sale, and date of sale are considered but before relative comparison physical characteristics and location are made.

It is our opinion that the subject would fall toward the upper range of the values, due to the age, and physical condition characteristics. THE SUBJECT PROPERTY IS BEING VALUED HIGHER THAN THE PREDOMINANT VALUE FOR THE AREA DUE TO THE QUALITY OF THE IMPROVEMENTS. THE FACILITY IS RENOVATED TO A STANDARD FOR R & D AND BIOTECHNOLOGY WITH SIGNIFICANT TENANT IMPROVEMENTS. THESE TYPES OF PROPERTIES IN CALIFORNIA AREA TYPICALLY COMMAND PRICES IN EXCESS OF THE MAXIMUM PRICE PER UNIT OF THE UNDERLYING REAL ESTATE VALUE.

The closed sales indicated the following adjusted sales prices. From this range in adjusted value, we have concluded a value indicator to apply to the subject property.

Therefore, we conclude a unit price of \$300.00 per square foot for the subject property, as follows:
The closed sales indicated the following adjusted sales prices. From this range in adjusted value, we have concluded a value indicator to apply to the subject property.

Indicator	Price per SF
Minimum	\$32
Maximum	\$309
Concluded for Subject AS COMPLETE:	\$300
Subject Bldg. SF:	54,677 SF
Indicated Value:	\$16,400,100
Rounded:	\$16,400,000
Total Sales Comparison Approach Value	\$16,400,000

Concluded Value by Sales Comparison Approach-AS COMPLETE
Sixteen Million Four Hundred Thousand Dollars \$16,400,000

INCOME APPROACH

The Income Approach to indicate the value of property is based on the premise that the value of the property is directly related to how much income the property will generate. In other words, what a ready willing buyer will pay for a property (the value) is related to what the investor expects to receive from the investment. Using the Income Approach to estimate value is usually the most useful method of estimating value when the property being appraised is an income producing property. Often, when doing appraisal work, the appraiser finds that what one property has most in common with another is that they produce income. It is for this reason that the amount, quality, and duration of income produced needs to be studied so carefully. This approach to estimate value is comprised of four elements, Income, Vacancy, Expenses, and Capitalization Rate

EXPENSES

From the gross income estimates, anticipated operating expenses (based on historical operating expenses when available) are then deducted to arrive at an estimated net operating income. Some factors that have been considered when establishing the capitalization rate are the quality and duration of the income. Only projected expenses and income was provided.

CAPITALIZATION RATE

The potential value of the property is related to this anticipated net income through the mechanism of an overall capitalization rate (OAR). An individual investor (prospective purchaser) would typically develop his rate of capitalization based on his own requirements for equity yield and also upon the financing, which could be secured for the purchase of the property. For appraisal purposes the overall capitalization rate is commonly extracted from analyses of sales of other comparable properties, which are judged to be representative of the current market and similar to the property being appraised.

$$\text{Value} \times \text{Rate (OAR)} = \text{Income}$$

Using the Income Approach to indicate the value of a property, one simply uses an equivalent derivation of the same formula.

$$\frac{\text{Income}}{\text{Rate}} = \text{Value}$$

INCOME APPROACH

Project Ownership and Income Structure

In the United States, grid-tied energy generation assets are primarily owned by electric utilities and independent power producers (IPPs). Electric utilities can be for-profit (i.e., investor-owned utilities [IOUs], nonprofits [i.e., cooperatives], or publicly owned [POUs; i.e.; federal, state, or municipally-owned]). Each owner type typically has different return expectations and faces different rules and processes in terms of selling electricity and raising capital, which can influence financing costs.

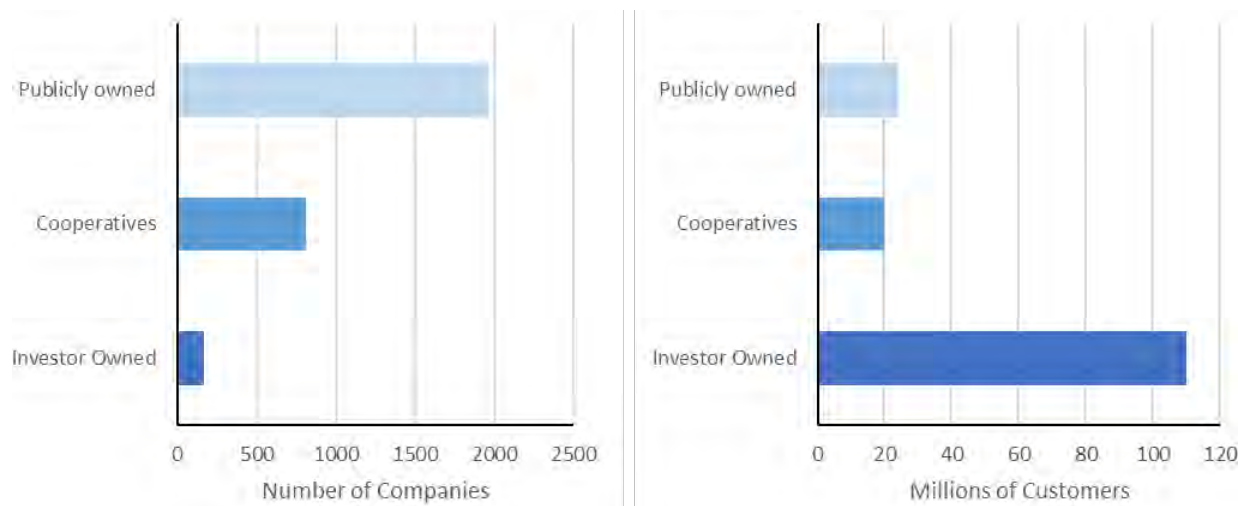
Additionally, some of these regulatory or organizational strategies may limit the number of projects that can be owned by specific organizations (e.g., some co-ops may purchase the bulk of their electricity generation from a third-party, and some public utility commissions discourage utility ownership of electric generating assets in favor of a more market-based approach).

Ownership type also influences the ability to monetize tax benefits generated by projects. Certain companies may be limited or even prohibited from using these tax benefits and may need specific types of financial partners to invest in projects to take advantage of the benefits (i.e., tax equity investors).

Electricity Sales Agreements

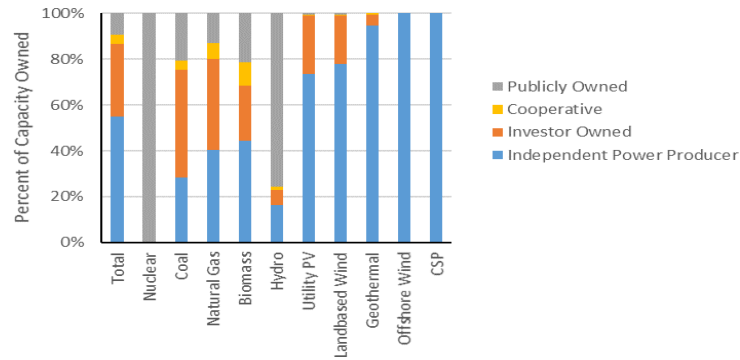
IPPs generate revenue by making short-term electricity sales either through wholesale markets or via long-term contracts (i.e., power purchase agreements, or PPAs). Long-term contracts (e.g., 10–30 years) are typically far less risky, as the future sale price is known, as long as generation requirements are met. What they can charge, and the return they are allowed to achieve, are regulated and are often dictated by the rate-making process (i.e., the process in which utilities set electricity rates for customers).

Because of the impact that asset ownership and electricity sales agreements have on financial costs, we assess which types are most common in the U.S. market through the U.S. Energy Information Administration (EIA)



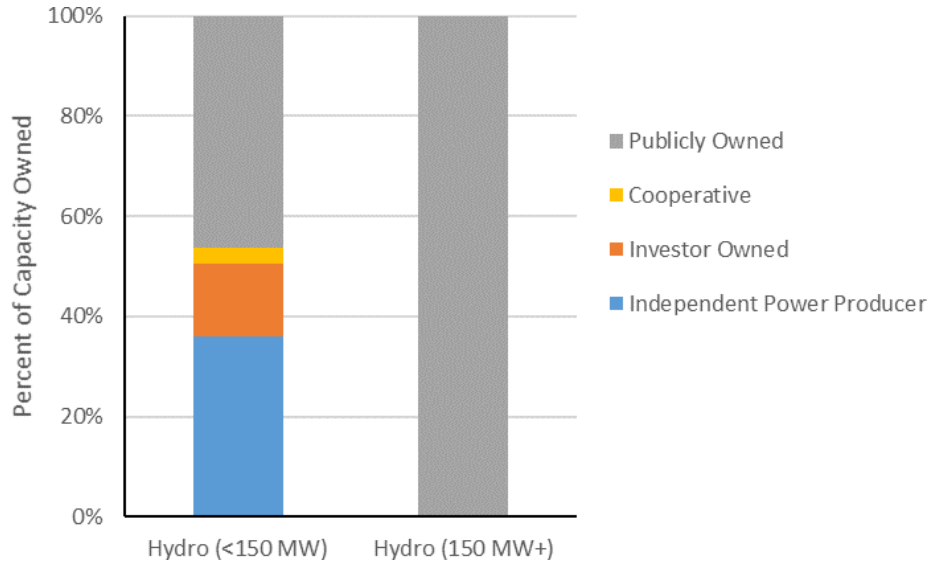
U.S. utilities by number of companies (left) and millions of customers (right), 2017

Though IOUs represent the majority of U.S. customers, IPPs owned the majority of new U.S. generating capacity from 2010 to 2018 and therefore represent the majority of recent financial transactions (excluding refinancing existing electric generation assets and upgrading or repowering), as shown above.



Percentage of new U.S. electric generation capacity owned, by company type

Additionally, the IPP ownership percentage is significantly higher for renewable energy assets than fossil assets, with the exception of hydropower facilities. However, as shown in Figure 4, there is significantly more IPP ownership for new hydropower plants with capacities below 150 MW. From 2010 to 2019, approximately half of all new hydropower installed in the United States had capacities under 150 MW, with the other half coming from one plant.



Percentage of new U.S. hydropower capacity, by company type and system size,

A significant portion of IPPs are either large companies focused in the energy space—often an unregulated arm of a regulated utility company—or financial infrastructure investment institutions, and they often own generating assets of different technologies. Many are also publicly-traded companies, which typically have access to lower-cost financing than private companies.

BC&E Colusa 1	2024	2024	2025	2026	2027	2028	2029
Starting Cash	\$ -	\$ 549,154	\$ 9,381,386	\$ 12,736,848	\$ 16,342,974	\$ 20,207,284	SOLD To City of Colusa
Bank-Loan	\$ 2,400,000	\$ 50,000,000					
Equity Investor	\$ 15,000,000	\$ 10,000,000					Sale price to be based on appraised value.
Carbon Credits	\$ -	\$ 294,874	\$ 965,829	\$ 994,804	\$ 1,024,648	\$ 1,055,387	
Tipping Fee	\$ -	\$ 48,263	\$ 321,750	\$ 331,403	\$ 341,345	\$ 351,585	
Carbon Char	\$ -	\$ 1,472,000	\$ 4,147,200	\$ 4,271,616	\$ 4,399,764	\$ 4,531,757	Based on the Income method it is expected
Electricity Sales	\$ -	\$ 1,766,400	\$ 5,529,600	\$ 5,695,488	\$ 5,866,353	\$ 6,042,343	that the sale will be in excess of \$90M using a capitalization rate of 10%
Total Revenue	\$ -	\$ 3,581,537	\$ 10,964,379	\$ 11,293,310	\$ 11,632,110	\$ 11,981,073	
Expenses (Adjusted for Inflation)							
Biomass Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Accounting & Legal	\$ 120,000	\$ 120,000	\$ 123,600	\$ 127,308	\$ 131,127	\$ 135,061	
Maintenance	\$ -	\$ 50,527	\$ 252,636	\$ 260,215	\$ 268,022	\$ 276,062	
Labor and Consumables	\$ -	\$ 338,717	\$ 1,359,400	\$ 1,400,182	\$ 1,442,187	\$ 1,485,453	
Insurance	\$ -	\$ 76,575	\$ 382,875	\$ 394,361	\$ 406,192	\$ 418,378	
Propane / Natural Gas	\$ -	\$ 71,280	\$ 356,400	\$ 367,092	\$ 378,105	\$ 389,448	
Structure, Consulting, Escrow	\$ 175,000	\$ 26,801	\$ 134,006	\$ 138,026	\$ 142,167	\$ 146,432	
Professional Fees/ Commission	\$ 4,250,000	\$ -	\$ -	\$ -	\$ -	\$ -	
1-APS 8tpd/EPC-HC	\$ 13,998,365	\$ -	\$ -	\$ -	\$ -	\$ -	
1-APS 40tpd/EPC-SteamT/Boiler/Dryer	\$ 38,938,298	\$ -	\$ -	\$ -	\$ -	\$ -	
1-1MW Solar-Niagra 1&2	\$ 6,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	
Equipment-servicing feedstock	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	
1-Spanner Re 60tpd Turnkey	\$ 37,171,226	\$ -	\$ -	\$ -	\$ -	\$ -	
Niagra Bldg 1	\$ 4,800,000	\$ -	\$ -	\$ -	\$ -	\$ -	
Land Niagra 7.6 acres	\$ 1,137,000	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Expenses	\$ 108,589,889	\$ 683,901	\$ 2,608,917	\$ 2,687,185	\$ 2,767,800	\$ 2,850,834	
Sum of Non-TPD Expenses	\$ 295,000	\$ 683,901	\$ 2,608,917	\$ 2,687,185	\$ 2,767,800	\$ 2,850,834	
EBITDA	\$ (295,000)	\$ 2,897,636	\$ 8,355,462	\$ 8,606,126	\$ 8,864,310	\$ 9,130,239	
Senior Debt Interest	\$ -	\$ (2,500,000)	\$ (5,000,000)	\$ (5,000,000)	\$ (5,000,000)	\$ (5,000,000)	
Construction Debt Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Depreciation	\$ (9,230,141)	\$ (18,460,281)	\$ (18,460,281)	\$ (18,460,281)	\$ (18,460,281)	\$ (18,460,281)	
EBT	\$ (9,525,141)	\$ (18,062,645)	\$ (15,104,819)	\$ (14,854,155)	\$ (14,595,971)	\$ (14,330,042)	
Tax Credits (ITC)	\$ 52,794,944	\$ -	\$ -	\$ -	\$ -	\$ -	
Taxes State and Federal	\$ 4,762,570	\$ 9,031,322	\$ 7,552,410	\$ 7,427,078	\$ 7,297,986	\$ 7,165,021	
Senior Debt Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Construction Debt Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Preferred Equity Payout	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Levered FCF	\$ 549,154	\$ 9,381,386	\$ 12,736,848	\$ 16,342,974	\$ 20,207,284	\$ 24,337,522	
Cumulative \$-Loan,Equity,TaxB,Profit	\$ 58,106,668.71	\$ 75,970,222.92	\$ 86,878,094.44	\$ 97,911,297.90	\$ 109,073,593.24	\$ 120,368,853.22	
Assumptions:							
1. Total Cost of Project	\$ 108,589,888.52						
2. Total Senior Debt	\$ 50,000,000.00						
3. Equity Principals & Success Fees	\$ 36,027,893.93						
4. Equity Investor	\$ 25,000,000.00						
5. Carbon Credits	based on megawatt hours produced multiplied by current market price of \$29 per megawatt/hr						
6. Tipping fee	based on 100 tons per day at \$15 per ton						
7. Carbon Char	based on 16 tons per day at \$.40 per pound						
8. Electricity sales	based on 5MW generated per hour with 4MW exported and 1MW used for parasitic load at \$160 per MW/hr per the PPA with the City of Colusa						
9. Labor	based on 16 full time employees per 3 shifts per day						
10. 24/7 Operations							

The subject has a projected income stream based on earnings under a Hybrid Renewable Electric Energy (HREE) Power Purchase Agreement (PPA) with the City of Colusa. Proceeding under the Extraordinary Assumption that the Income and Expense information provided to us is correct, we have developed the Income Approach below. We queried our database which indicated CAP rates for like-type renewable energy business located in industrial properties in California that sold since Jan. 1, 2015. These ranged from 11.89% to 53.11% with a mean rate of 26.87%. Businesses with long, stable income and history to trade toward the lower end of the range.

Based on this data we have selected a CAP rate of 12.0% for the subject property.

POTENTIAL GROSS INCOME CALCULATIONS

Income As Stabilized Y4 (ECONOMIC)	Total Income
All Income	\$11,981,073
Total PGI Y4/ PROJCTED/ annual	\$11,981,073

POTENTIAL GROSS INCOME

= \$11,981,073

ANNUAL EXPENSES*

TOTAL ANNUAL EXPENSES - 24% of PGI= \$2,850,834

MINUS EXPENSES

\$10,988,274 EGI -
\$2,850,834
= \$9,130,239 NOI

*Based on pro-rated averages per the operator's profit/ loss statement.

NET INCOME

= \$9,130,239 NOI

OVERALL RATE ANALYSIS

OVERALL CAPITALIZATION RATE

The final step is to capitalize the estimated net operating income (NOI) by an appropriate rate. The capitalization rate is estimated utilizing the Market Sales Technique and Investor Surveys.

OVERALL RATE SELECTION

Indicated OAR by Analysis*: = 9.15 %

INCOME APPROACH

Item 5.

Gross Profit and EBITDA Multiplier Analysis (Going Concern)

Market value of the subject can be estimated by using ratio models. Ratio models convert a single year's income estimate into an indication of value. The two most commonly used ratio models are Gross Profit and EBITDA.

Value is derived from multiples as follows:

$$\text{Market Value} = \text{Gross Profit Multiplier} \times \text{Gross Profit}$$

$$\text{Market Value} = \text{EBITDA Multiplier} \times \text{EBITDA}$$

Multiples are extracted from the market using comparable data. The basic economic rationale for this model is a variation of the one price rule – similar properties should sell for the same multiple of gross income. If a pattern of consistency is found in the ratios among the comparable properties, then the multiples can be said to be indicative of market pricing. Procedures and issues in the application of the multiple methods are as follows:

- Find similar income properties that recently sold, i.e., comps.
- Verify prices, revenues, and other income, and assure that comps were sold in “market” transactions.
- Calculate the multiples for each of the individual comps.
- Reconcile the multipliers developed from the individual comps to obtain an estimate of a “market” multiplier for the property.
- Reconciliation involves a judgment of relative comparability of the comps.

2023	Type of Renewable Energy	microcap.co			microcap.co		
		Avg Revenue Multiple	Avg EBITDA Multiple	Avg Earnings Multiple	Avg Gross Margin %	Avg EBITDA Margin %	Avg Net Profit Margin %
	All	5.3x	18.0x	32.8x	52%	50%	23%
	Hydro	4.7x	16.9x	27.5x	56%	55%	25%
	Solar	5.2x	19.3x	34.6x	52%	51%	21%
	Wind	5.2x	16.6x	34.8x	55%	54%	20%
	Alternative	5.4x	18.2x	37.2x	45%	44%	19%

Revenue multiples for Green Energy companies grew throughout all of 2020, almost doubling from 6.7x in Q1 to 12.7x in Q4 2020 when they reached a peak. They then stabilised around the 10x mark for Q1 and Q2 of 2021 before falling slightly.

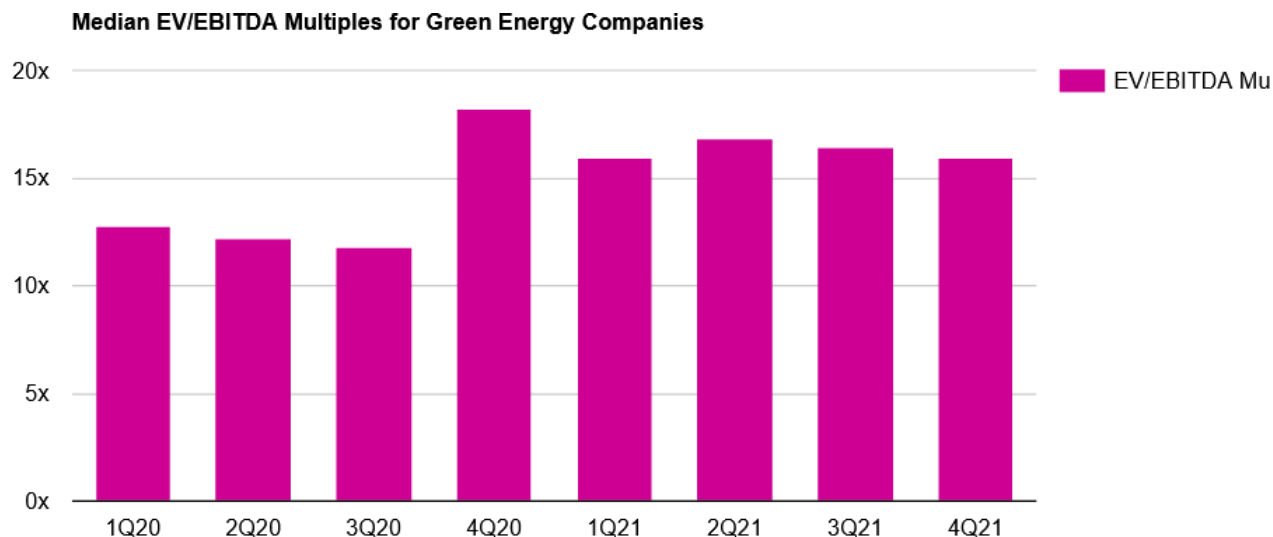
In Q4 2021 the median EV/Revenue multiple for Green Energy companies was 9x.

This is comparable to what are considered some of the hottest sectors in tech, such as [FinTech](#) and [SaaS](#), which also achieved double-digit revenue multiple over the past years.

INCOME APPROACH

Item 5.

The distribution of the multiples across the sample is pretty regular, which the top 25% of performers peaching in Q2 2021 and then falling again, with the whole cohort fitting in the 1x – 18x range at the end of 2021, with the median 50% staying between 6.5x and 11.7x.



In terms of EBITDA valuation multiples, we see a relatively similar trend: although multiples didn't grow as steadily as the revenue ones throughout last year, they peaked in Q4 2020 at 18.2x and then staying relatively stable after a small correction. **The median EBITDA multiple for Green Energy companies in Q4 2021 was 15.9x.** Given the location and condition of the subject, I have utilized the following multipliers.

GPM AND EBITDA MULTIPLIER ANALYSIS

Method	Amount	X	Multiplier	=	Value Indication
Gross Profit	\$11,981,073	X	8.2	=	\$98,244,799
EBITDA	\$9,130,239	X	13.1	=	\$119,606,131

FINAL VALUE SUMMARY (INCOME APPROACH)

Method	Value	Type
Overall Basis (Capitalization)	\$99,780,000	Going Concern
Gross Profit Multiplier	\$98,244,799	Going Concern
EBITDA Multiplier	\$119,606,131	Going Concern

FINAL VALUE ALLOCATION- INCOME APPROACH

The value conclusions are reconciled giving a Value Conclusion for the Total Going Concern

Appraisal Premise - Market Value Via Income Approach	Value Conclusion
MARKET VALUE OF TOTAL GOING CONCERN	\$116,000,000

ANALYSIS OF VALUE CONCLUSIONS

Item 5.

RECONCILIATION AND FINAL VALUE ESTIMATE

The analysis of value conclusions involves the weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability of each valuation technique to the subject property. The analysis of value conclusions involves the weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability of each valuation technique to the subject property

The **Cost Approach (Real Estate Only)** is based upon the estimated cost of the improvements less depreciation, plus the current market value of the land.

The **Sales Comparison Approach (Real Estate Only)** is based upon sales of other comparable properties and produces an indication of value based upon prices actually paid in the market. When market comparable data is available, the Sales Comparison Approach becomes a strong measure of market conditions and value. However, as stated earlier in the report, some sales data was scant. However, we did manage to use the available data to reflect a supportable value estimate.

The **Income Approach (Going Concern)** is considered a reliable approach for investment grade commercial properties.

REAL ESTATE AND FF & E VALUATION**VALUE ALLOCATION REAL ESTATE ONLY**

APPROACH	VALUE	WEIGHT	PERCENTAGE VALUE
SALES COMPARISON APPROACH	\$16,400,000	100%	\$16,400,000
		FINAL VALUE:	\$16,400,000

Appraisal Premise – MARKET VALUE -REAL ESTATE	Value Conclusion
MARKET VALUE OF THE REAL ESTATE ONLY	\$16,400,000

GOING CONCERN VALUATION

Appraisal Premise - Market Value Via Income Approach	Value Conclusion
MARKET VALUE TOTAL ASSETS OF THE BUSINESS (GOING CONCERN)	\$116,000,000

BUSINESS VALUATION

The difference in values is now used to derive the value of the business (Renewable Energy Facility)

$$\$116,000,000 - \$16,400,000 = \$99,600,000$$

Appraisal Premise - Market Value	Value Conclusion
BUSINESS VALUE	\$99,600,000

INCOME APPROACH

Item 5.

Reconstructed Income Approach
INCOME STREAM VALUATION
RENEWABLE ENERGY FACILITY

Income Statement:

<u>Estimated</u>	
Potential Gross Income	\$11,981,073
Total Operating Expenses	
Calculated as 24%	(\$2,850,234)
NET OPERATING INCOME (NOI)	\$9,130,239
SELECTED OVERALL RATE	9.15%

CAPITAL VALUE ANALYSIS

Net Operating Income	÷ Overall Rate	= Market Value
\$ 9,130,239	÷ 0.0915	\$ 99,784,032

Value Conclusion—INCOME APPROACH

Having selected an overall rate, all that remains is to capitalize the net operating income into a final indication of value. Using 9.15% as the overall rate, **results in a value indication, via the Income Approach by direct capitalization, of \$ 99,780,000 (rounded).**

=

**NINETY-NINE MILLION SEVEN HUNDRED EIGHTY
THOUSAND DOLLARS**

\$ 99,780,000



VAL-
COM

OPTION GRANT AGREEMENT

This Option Grant Agreement (the "Agreement") is made and entered into as of August 20, 2024, by and between BC&E USA COLUSA 1 LLC, a California Limited Liability Company ("Company" or "BC&E"), and the City of Colusa (the "Optionee").

RECITALS

WHEREAS, the City of Colusa and Company have entered into that certain Power Purchase Agreement dated July 18, 2023 (the "PPA"), that has considerable benefits to both the City of Colusa and Company; and

WHEREAS, to make such Power Purchase Agreement both attractive and beneficial to the City of Colusa, and as further consideration of such transaction, the parties have negotiated to provide to the City of Colusa an option (the "Option") to purchase a 12.5% ownership stake in BC&E for a total consideration of \$1, as set forth in the Resolution of the Managing Members of the Company dated June 15, 2023 (the "Resolution"), and legally referred to under California Law as a "membership interest" (the "Units"); and

WHEREAS, BC&E, pursuant to the Operating Agreement of BC&E, and pursuant to California Law, has authorized the issuance of 100,000 Units to the Members of BC&E, and such 100,000 Units currently constitute 100% of the authorized Units of BC&E; and

WHEREAS, the Resolution has been unanimously approved by all the Members of BC&E pursuant to the Operating Agreement of BC&E.

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, the parties agree as follows:

1. Grant of Option

The Company hereby grants to the Optionee an Option to purchase 12.5% of the total authorized Units of the Company, which equates to 12,500 Units, for a total consideration of \$1.

2. Exercise of Option

The Exercise Period shall commence on the July 18, 2023, the date of execution of the PPA, with such PPA having been duly approved by the City Council of the City of Colusa. The Exercise Period shall terminate 13 months from said date of execution.

3. Method of Exercise

The Optionee may exercise the Option, in whole or in part, by delivering a written notice of exercise to the Company at any time during the Exercise Period. The notice of exercise shall specify the number of Units being purchased and shall be accompanied by payment in full of the purchase price for such Units.

4. Issuance of Units

Upon exercise of the Option and payment of the purchase price, the Company shall issue the Units to the Optionee. The Units shall be fully paid and non-assessable.

5. Representations and Warranties of the Company

The Company represents and warrants to the Optionee that:

- The Company has the full power and authority to enter into this Agreement and to perform its obligations hereunder.
- The execution and delivery of this Agreement by the Company have been duly authorized by all necessary action on the part of the Company.

6. Representations and Warranties of the Optionee

The Optionee represents and warrants to the Company that:

- The Optionee has the full power and authority to enter into this Agreement and to perform its obligations hereunder.
- The execution and delivery of this Agreement by the Optionee have been duly authorized by all necessary action on the part of the Optionee.

7. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

8. Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, representations, and understandings of the parties.

9. Amendments

This Agreement may be amended only by a written agreement signed by both parties.

10. Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

BC&E

By: _____
Name: Robert Norman
Title: Managing Member

City of Colusa

By: _____
Name: Jesse Cain
Title: City Manager



City of Colusa California

STAFF REPORT

DATE: August 20, 2024
TO: Mayor and Members of the Council
FROM: Jesse Cain, City Manager

AGENDA ITEM: Approve Resolution 24- to work on a lease agreement with BC&E USA Colusa 1, LLC

Recommendation: Council approve Resolution 24- to work on a Lease agreement with BC&E USA Colusa1, LLC for part of the Pirelli Building.

BACKGROUND ANALYSIS: The City of Colusa City obtained what is known as the Pirelli Building a couple years ago with Grants and a loan from the water department. To create some type of biomaterials facility that would create jobs, help farmers with their ag waste and to better our local economy.

The City of Colusa has been working with BC&E USA Colusa 1, LLC for a couple years now to try and bring a biomaterials energy plant to Colusa, The City of Colusa has entered into a Purchase power agreement with them as well a contract they complete and receive a Bio mat application with PGE to ensure that the City will not be out any money.

BC&E USA Colusa 1, LLC now would like to lease part of the south side of the building over the next couple months City staff and Council will be negotiating terms of a lease with BC&E USA Colusa 1 to be brought back to the City council for their consideration.

BUDGET IMPACT: None

STAFF RECOMMENDATION: Council to approve Resolution 24-

ATTACHMENT:
Resolution 24-

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLUSA DIRECTING
THE CITY MANAGER AND CITY ATTORNEY TO NEGOTIATE A LEASE
AGREEMENT WITH BC&E USA COLUSA 1,LLC**

WHEREAS, BC&E USA Colusa1 LLC has proposed a hybrid electric generation plant to be located in the City of Colusa and;

WHEREAS, BC&E USA Colusa 1, LLC desires to lease premises for the plant at the City owned Pirelli Building, 1480 Will S. Green Avenue, Colusa, CA, and City is willing to negotiate a lease for these premises.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF COLUSA DOES HEREBY
RESOLVE:**

1. Recitals. The foregoing recitals are true and correct and made part of this Resolution.
2. Approval. The City of Colusa City Council approves the resolution directing the City Manager and City Attorney to negotiate a lease agreement with BC&E USA Colusa LLC, to be presented to Council for their consideration within the next 60 days to lease part of the south side of the Pirelli building with BC&E USA Colusa 1, LLC and;
3. Effective Date. This Resolution shall be effective immediately.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

Passed and adopted this Twentieth Day of August, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

DANIEL VACA, MAYOR

Shelly Kittle, City Clerk