



Willows City Council Regular Meeting

January 28, 2025
Willows City Hall
6:00 PM

City Council
Evan Hutson, Mayor
Rick Thomas, Vice Mayor
Gary Hansen, Council Member
Lorri Pride, Council Member
Matt Busby, Council Member

City Manager
Marti Brown

City Clerk
Karleen Price

201 North Lassen Street
Willows, CA 95988
(530) 934-7041

Agenda

Watch the Council meeting online via Zoom: <https://us06web.zoom.us/j/89487697369>

Remote viewing of the City Council meeting for members of the public is provided for convenience only. In the event that the remote viewing connection malfunctions for any reason, the City Council reserves the right to conduct the meeting without remote viewing.

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **CHANGES TO THE AGENDA**
5. **PRESENTATION**

- a. **Pioneer Energy Community Choice Aggregator**

Recommended Action: Receive the presentation from Gina Stassi-Vanacore, Director of Communications, Pioneer Energy Community Choice Aggregator, review the results of the Assessment Study, and provide direction to staff.

Contact: Marti Brown, City Manager, mbrown@cityofwillows.org

6. **PUBLIC COMMENT & CONSENT CALENDAR FORUM**

All matters on the Consent Calendar are considered routine and are approved by one motion and vote, unless Councilmembers or the City Manager first requests that a matter be removed for separate discussion and action. Individuals wishing to address the City Council concerning Consent Calendar items or regarding matters that are not already on the agenda are invited to make oral comments of up to three minutes at this time. Please address your comments to the Mayor and Councilmembers, and not to staff and/or the audience. By State law, the Council is not permitted to undertake any action or discussion on any item not appearing on the posted agenda. If you have any documentation that you would like distributed to the City Council, please mail it to the City Clerk at 201 North Lassen Street, Willows, CA 95988 or email it to: cityclerk@cityofwillows.org.

- a. **Register Approval**

Recommended Action: Approve general checking, payroll, and direct deposit check registers.

Contact: Joanne Moore, Finance Director, jmoore@cityofwillows.org

- b. **Minutes Approval**

Recommended Action: Approve the January 14, 2025, meeting minutes.

Contact: Karleen Price, City Clerk, kprice@cityofwillows.org

c. New Appointments to Northern California Cities Self-Insured Fund (NCCSIF) Board of Directors

Recommended Action: Adopt a Resolution of the City Council of the City of Willows approving appointment of Marti Brown, City Manager, to the Northern California Cities Self Insurance Fund (NCCSIF) Board of Directors to represent the City's insurance interests, and Joanne Moore, the Finance Director, as the Alternate.

Contact: Marti Brown, City Manager, mbrown@cityofwillows.org

d. Annual Development Impact Fee Report – FY2023-24

Recommended Action: Receive the Mitigation Fee Act (AB 1600) Report on Development Impact Fees for Fiscal Year Ending June 30, 2024 (Attachment 1) and adopt the attached resolution (Attachment 2).

Contact: Joe Bettencourt, Community Development & Services Director, jbettencourt@cityofwillows.org

e. Council Liaison to the Planning Commission

Recommended Action: Establish a Council Liaison to the Planning Commission and reaffirm appointment of Councilmember Lorri Pride.

Contact: Marti Brown, City Manager, mbrown@cityofwillows.org

7. PUBLIC HEARING

All matters in this section of the agenda are formal public hearings and will be acted on individually. Once the Mayor opens the public hearing, members of the public may request to speak. When you are called on by the Mayor, please state your name clearly for the audio recording. If you have any documentation that you would like to be distributed to the Council, please give it to the City Clerk for distribution.

a. Summary Abatement of 335 North Shasta Street

Recommended Action: Adopt Resolution XX-2025, confirming the costs of emergency summary abatement in the amount of \$15,586.50 and declaring the expenses a lien on the property if not paid in full by January 24, 2025.

Contact: Nathan Monck, Fire Chief, nmonck@cityofwillows.org

8. DISCUSSION & ACTION CALENDAR

All matters in this section of the agenda are discussed and will be acted on individually. Individuals wishing to address the City Council concerning any of these items are invited to make oral comments of up to three minutes as each agenda item is reviewed and discussed by Council. Please address your comments to the Mayor and Councilmembers, and not to staff and/or the audience. When the Mayor calls for public comment, please raise your hand to be acknowledged. While not required, the City requests that you please state your name clearly for the audio recording. By State law, the Council is not permitted to undertake any action or discussion on any item not appearing on the posted agenda. If you have any documentation that you would like distributed to the City Council, please mail it to the City Clerk at 201 North Lassen Street, Willows, CA 95988 or email it to: cityclerk@cityofwillows.org.

a. **Planning Commission Vacancy and Appointment Process**

Recommended Action: Direct staff to initiate an open call of applications to appoint one new commissioner to the Planning Commission and appoint two Councilmembers to serve on a Planning Commissioner Appointment Ad Hoc Committee to interview and recommend appointment to the full Council.

Contact: Marti Brown, City Manager, mbrown@cityofwillows.org

b. **Solar Power Purchase Agreement - Civic Center and Fire Station**

Recommended Action: Authorize the City Manager to execute a Power Purchase Agreement with RP Willows Solar 2, LLC (Attachment 1) and RP Willows Solar 3, LLC (Attachment 2) for the installation of a roof mounted solar system at the Willows Civic Center and the Willows Firehouse and; authorize the City Manager to execute a Side Letter (Attachment 3) with Trinary Energy for financial reimbursement of the roof replacement at the Willows Civic Center.

Contact: Joe Bettencourt, Community Development & Services Director,
jbettencourt@cityofwillows.org

9. COMMENTS & REPORTS

- a. Council Correspondence
- b. City Council Comments & Reports
- c. City Manager's Report

10. CLOSED SESSION

Pursuant to Government Code Sections §54954.3, the public will have an opportunity to directly address the legislative body on the item below prior to the Council convening into closed session. Public Comments are generally restricted to three minutes.

a. **Conference with Labor Negotiators (§54957.6)**

Agency Designated Representatives:

Marti Brown, City Manager and Carolyn Walker, City Attorney

Employee Organizations: UPEC, Fire and General Bargaining Units, and Management

11. ADJOURNMENT

This agenda was posted on January 24, 2025.

Karleen Price, City Clerk

A complete agenda packet, including staff reports and back-up information, is available for public inspection during normal work hours at City Hall at 201 North Lassen Street in Willows or on the City's website at www.cityofwillows.org. In compliance with the Americans with Disabilities Act, the

City of Willows will make available to members of the public any special assistance necessary to participate in this meeting. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132). The public should contact the City Clerk's office at 934-7041 to make such a request. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

The City of Willows is an Equal Opportunity Provider.



PRESENTATION

Expansion Outlook: Review of Study Findings and Timeline for Service Expansion into Willows

January 28, 2025

About Pioneer

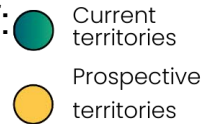
- A Joint Powers Authority established in 2018 – community owned, not-for-profit.
- An alternative to PG&E on the generation part of customer bills.
- Focus on serving like-minded areas.
- Provides 170,000+ customers with competitive rates, exceptional local service, and a choice in energy options.
- \$108 million in ratepayer savings since 2018.
 - For 2025, customers will save an average of 10 percent or more over PG&E on electricity generation.
 - Projected savings of \$31 million in 2025.
- Committed to community reinvestment through local renewable energy projects, programs, and goods and services.
- Awarded an A- issuer credit rating from S&P Global (formerly Standard and Poor's).

Growing Interest In Pioneer

CURRENT MEMBERS:

El Dorado & Placer Counties and the cities of:

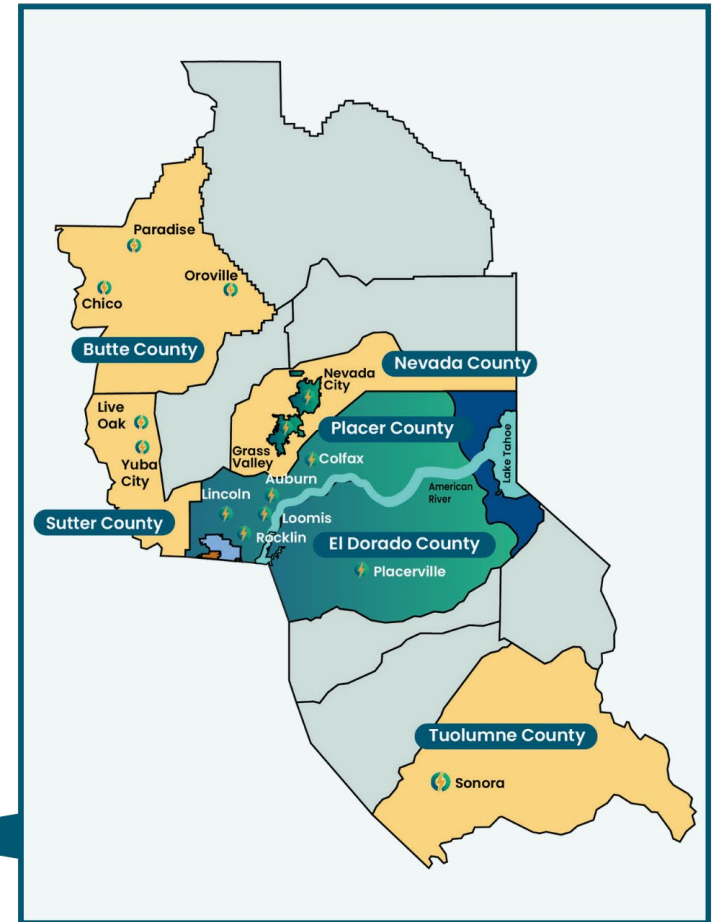
- Auburn
- Colfax
- Grass Valley
- Lincoln
- Nevada City
- Placerville
- Rocklin
- Town of Loomis



PLANNED EXPANSION:

Butte, Glenn, Nevada, Sutter and Tuolumne counties and cities of:

- Chico
- Live Oak
- Oroville
- Orland
- Sonora
- Willows
- Yuba City
- Town of Paradise



Background

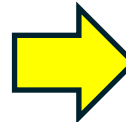
Fall 2024	<ul style="list-style-type: none">• Initial conversations with Pioneer Community Energy• Glenn County, Orland, Willows agree to co-commission an Impact Assessment Study to determine the feasibility of service expansion<ul style="list-style-type: none">○ Expansion must make financial sense for all parties○ Pioneer must have the ability to serve the increased load
December 2024	<ul style="list-style-type: none">• Impact Assessment Study is conducted.• Study results are shared with Pioneer's Expansion Committee and Board of Directors• Pioneer presents findings to City staff
February 2025	<ul style="list-style-type: none">• City Council must approve an ordinance and resolution to join Pioneer.
March 2025	<ul style="list-style-type: none">• Pioneer files an Implementation Plan with the CPUC.
Summer 2025	<ul style="list-style-type: none">• CPUC approves plan; Pioneer begins procuring power for Willows after final confirmation of the desire to join.

Questions to Answer

- **Does it make financial sense to move forward with expansion?**
 - Purpose of the Impact Assessment Study
- **Do we have the power supply resources to serve expansion communities?**
 - Addresses the timing of the launch
- **Does the recommended timing for launch work for Willows?**

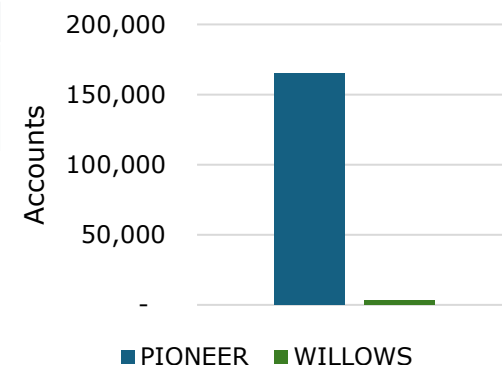
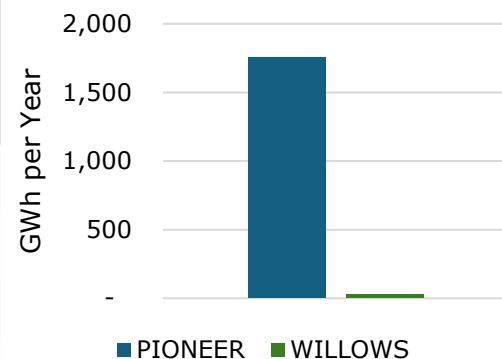
About the Study

- Examined 2 years of consecutive data (2022/2023)
- Projected revenues from current rates
 - Very conservative approach
 - 2025 rates average 10% discount
- Power Supply
 - Energy
 - Renewable Energy
 - Resource Adequacy



City of Willows Customer Information

Classification	Accounts	Annual Energy (MWh)	Average Customer Usage (kWh/Mo.)
Residential	2,494	13,490	451
Com/Ind	417	14,359	2,869
Street Lighting	45	169	312
Total	2,957	28,017	790
Peak Demand (MW)	7		



Expansion to City of Willows customers would represent an approximate 2% increase to Pioneer retail sales.

Data above are unadjusted for opt-out assumptions and excludes standby accounts.

Fiscal Impact Summary

	FYE 2028	FYE 2029	FYE 2030	Total
Revenue (\$MM)	\$ 13.5	\$ 23.8	\$ 24.3	\$ 61.7
Operating Expenses (\$MM)	\$ 11.2	\$ 22.7	\$ 23.1	\$ 57.0
Net Operating Margin (\$MM)	\$ 2.3	\$ 1.1	\$ 1.2	\$ 4.7
Electricity Sales (MWh)	107,434	177,332	181,002	465,768
Avg. Revenue (\$/MWh)	\$ 125.80	\$ 134.44	\$ 134.44	\$ 132.45
Avg. Expense (\$/MWh)	\$ 104.2	\$ 128.02	\$ 127.69	\$ 122.40
Avg. Margin (\$/MWh)	\$ 21.60	\$ 6.42	\$ 6.75	\$ 10.05
Avg. Margin (% of Rev)	17%	5%	5%	8%

- *Reflects partial year of service for fiscal year ending June 30, 2028.
- Prior to Pioneer expansion, other implementation costs would be incurred. Such costs may be related to utility service fees, marketing and outreach, regulatory and legal representation, internal operations, resource planning and procurement.

Study Provides Needed Answers

- **Does it make financial sense to move forward with expansion?**
 - Yes. Pioneer can expand into Glenn County with no financial impact to existing customers while still protecting ratepayer savings.
- **Do we have the power supply resources to serve Willows?**
 - Yes. Pioneer can procure the power resources needed to serve the increased load required by expansion and ensure compliance with state mandates.
- **Does the recommended timing for launch work?**
 - The study determined that an October 2027 service launch is the optimal timing for expansion into all 13 new communities.

Next Steps

Fall 2024

Staff brought enrollment schedule to Expansion Committee for Board recommendation

Jan-Feb 2025

Proposed members adopt ordinance and approve the resolution by end of February

Dec 2024

Board approves new memberships with completed Impact Assessment Studies and JPA Amendment

Mar 2025

Implementation Plan Amendment submitted to CPUC

Plan provides details for an October 2027 launch for all new members



Appendix

Mission & Vision

Mission Statement (What we do) – Pioneer Community Energy is a locally owned provider of electricity – powering the communities we serve with competitive rates, exceptional local service, and a choice in energy options

Vision Statement (Where we want to be) – A community partner in energy solutions, and positive local impact, powering today and empowering tomorrow

Why Choose Pioneer?

- Pioneer serves inland communities with similar priorities like customer savings, community reinvestment, exceptional customer service, and economic development
- Ratepayer Savings – We are committed to providing competitive electricity rates and have saved customers \$108 million since launching in 2018.
- Pioneer is a Joint Powers Authority, a not-for-profit public agency, with a board of directors comprised of only elected officials from the jurisdictions we serve
- Creating opportunities to support biomass, and local power purchase agreements
 - El Dorado Irrigation District (\$37 million)
 - PCWA (Over \$10 million)
 - Sierra Pacific Industries (\$1.2 million)
 - Grass Valley- Biomass RFP
 - Western Placer Waste Management- biomass plant



How are customers billed?



ENERGY STATEMENT

www.pge.com/MyEnergy

Account No:

Statement Date: 05/03/2023

Due Date: 05/24/2023

Service For:

Your Account Summary

Amount Due on Previous Statement	\$310.25
Payment(s) Received Since Last Statement	-311.00
Outstanding Credit Balance	-\$0.75
Current PG&E Electric Delivery Charges	\$80.73
Pioneer Community Energy Electric Generation Charges	51.35
Current Gas Charges	110.27

Questions about your bill?

Mon-Fri 7 a.m.-7 p.m.
Saturday 8 a.m.-5 p.m.
Phone: 1-800-743-5000
www.pge.com/MyEnergy

Total Amount Due by 05/24/2023	\$241.60
---------------------------------------	-----------------

PG&E Bill – Page #1

- Pioneer listed on the front page
- Customer pays total energy bill to PG&E – one payment
- PG&E remits \$ to Pioneer

Power Mix

2022 POWER CONTENT LABEL						
Pioneer Community Energy						
https://pioneercommunityenergy.org/about-us/key-documents/						
Greenhouse Gas Emissions Intensity (lbs CO ₂ e/MWh)			Energy Resources	2022 Pioneer Community Energy Base Service Power Mix	2022 Pioneer Community Energy Green100 Power Mix	2022 CA Power Mix
2022 Pioneer Community Energy Base Service	2022 Pioneer Community Energy Green100	2022 CA Utility Average	Eligible Renewable ¹	44.1%	100.0%	35.8%
343	0	422	Biomass & Biowaste	0.6%	0.0%	2.1%
<p>1000 800 600 400 200 0</p> <p>■ 2022 Pioneer Community Energy Base Service ■ 2022 Pioneer Community Energy Green100 ■ 2022 CA Utility Average</p>			Geothermal	6.1%	0.0%	4.7%
			Eligible Hydroelectric	2.7%	21.6%	1.1%
			Solar	11.5%	28.4%	17.0%
			Wind	23.3%	50.0%	10.8%
			Coal	0.0%	0.0%	2.1%
			Large Hydroelectric	1.3%	0.0%	9.2%
			Natural Gas	0.0%	0.0%	36.4%
			Nuclear	27.6%	0.0%	9.2%
			Other	0.0%	0.0%	0.1%
			Unspecified Power ²	27.0%	0.0%	7.1%
			TOTAL	100.0%	100.0%	100.0%
Percentage of Retail Sales Covered by Retired Unbundled RECs ³ :				4%	0%	
¹ The eligible renewable percentage above does not reflect RPS compliance, which is determined using a different methodology. ² Unspecified power is electricity that has been purchased through open market transactions and is not traceable to a specific generation source. ³ Renewable energy credits (RECs) are tracking instruments issued for renewable generation. Unbundled renewable energy credits (RECs) represent renewable generation that was not delivered to serve retail sales. Unbundled RECs are not reflected in the power mix or GHG emissions intensities above.						
For specific information about this electricity portfolio, contact:			Pioneer Community Energy 1 (844) 937-7466			
For general information about the Power Content Label, visit:			https://www.energy.ca.gov/programs-and-topics/programs/power-source-disclosure-program			

PG&E Programs Carry Over

- Enrollment in any program with PG&E, carries over to Pioneer. Examples include but not limited to:
 - CARE
 - FERA
 - Medical Baseline
- PG&E service will not be impacted by joining Pioneer (e.g., service request placed last in que with PG&E because you're with Pioneer)
- In addition, customers have access to Pioneer programs that are created to meet the unique needs of the communities we serve.

Benefits for Solar Customers

- Pioneer has 42,000+ solar accounts
- If you are a net generator, we pay a 1/2 cent premium over PG&E for your power
- If you are a net consumer, you enjoy the same discount as non-solar customer
- No contract or PPA required
- Reconcile monthly
- Annual pay-outs
- Indifferent on NEM 1,2 or SBP



Rate Products

Residential Electricity Rates*



44.1% Renewable*

\$265.36**
average total

\$90.82
Electricity

N/A
Green100 Charges

\$177.13
PG&E Shipping Charges

\$(2.59)***
PCIA + FFS



100% Renewable

\$272.43**
average total

\$90.82
Electricity

\$7.07
Green100 Charges

\$177.13
PG&E Shipping Charges

\$(2.59)***
PCIA + FFS



38.3% Renewable

\$278.85**
average total

\$96.54
Electricity

N/A
Green100 Charges

\$177.13
PG&E Shipping Charges

\$5.19***
PCIA

*As reported to the California Public Utilities Commission and Pioneer's Board of Directors.

The background of the slide is a photograph of a renewable energy landscape. In the foreground, there are rows of solar panels tilted towards the sun. In the background, several wind turbines are visible against a clear blue sky. The sun is low on the horizon, creating a bright lens flare effect.

Thank you for your time today

Questions:

Gina Stassi-Vanacore

Director of Communications

GinaS@PioneerCommunityEnergy.org



PUBLIC COMMENT & CONSENT CALENDAR FORUM



City of Willows

Payment Register

APPKT00365 - CHECK RUN 1-13-25

Bank: Gen Chk - General Checking

Vendor Number	Vendor Name	Total Vendor Amount
	Void	0.00
Payment Type	Payment Number	Payment Date
**Void Check	55179	01/16/2025
		0.00

Vendor Number	Vendor Name					Total Vendor Amount	
1004	3CORE					250.00	
Payment Type	Payment Number					Payment Date	Payment Amount
Check	55173					01/16/2025	250.00
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
1850	DECEMBER 2024 RUMIANO LOAN PAYMENT	01/15/2025	01/15/2025	0.00	250.00		

Vendor Number	Vendor Name					Total Vendor Amount
1014	ACCESS					92.33
Payment Type	Payment Number				Payment Date	Payment Amount
Check	55174				01/16/2025	92.33
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
11344187	JANUARY 2025 SHREDDING	01/13/2025	01/13/2025	0.00	92.33	

Vendor Number	Vendor Name					Total Vendor Amount	
1068	ANDY HEATH FINANCIAL SERV					2,392.50	
Payment Type	Payment Number					Payment Date	Payment Amount
Check	55175					01/16/2025	2,392.50
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
25-01	FINANCIAL CONSULTING 12-18-24 TO 1-13-25	01/14/2025	01/14/2025	0.00	2,392.50		

Vendor Number	Vendor Name					Total Vendor Amount
1193	CALIFORNIA BUILDING STAND					68.40
Payment Type	Payment Number				Payment Date	Payment Amount
Check	55176				01/16/2025	68.40
Payable Number	Description		Payable Date	Due Date	Discount Amount	Payable Amount
123124BSASRF	OCTOBER - DECEMBER 2024 - BSASRF		01/13/2025	01/13/2025	0.00	68.40

Vendor Number	Vendor Name					Total Vendor Amount
1211	CASCADE FIRE EQUIPMENT					2,650.32
Payment Type	Payment Number				Payment Date	Payment Amount
Check	55177				01/16/2025	2,650.32
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
INV15688	SUPPLIES - CFF GRANT - FIRE	01/13/2025	01/13/2025	0.00	2,650.32	

Vendor Number	Vendor Name					Total Vendor Amount	
1255	COASTLAND CIVIL ENGINEERI					43,446.13	
Payment Type	Payment Number					Payment Date	Payment Amount
Check	55178					01/16/2025	43,446.13
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount		
60633	72-4441-555 N TEHAMA-MERCADO-ADA UPGRADES P#5	01/16/2025	01/16/2025	0.00	1,706.25		
60749	725150 - LIFT STATION REHAB PROJECT	01/16/2025	01/16/2025	0.00	6,203.75		
60750	725155 - FY23-24 ANNUAL SIDEWALK MAINT PROJECT	01/16/2025	01/16/2025	0.00	102.50		
60751	725279 - CITY ENGINEERING FY24-25	01/16/2025	01/16/2025	0.00	1,980.00		
60752	725281 - NVIH LOT LINE ADJUSTMENT	01/16/2025	01/16/2025	0.00	131.25		
60753	724611 - JACK IN THE BOX DEV - 1240 WOOD ST	01/16/2025	01/16/2025	0.00	120.00		
60754	724962 - 337 N LASSEN DEVELOPMENT	01/16/2025	01/16/2025	0.00	60.00		
60755	725024 - ENCROACHMENT PERMITS	01/16/2025	01/16/2025	0.00	3,923.75		
60783	72-4441-WALMART REMODEL-470 AIRPORT RD-PERMIT#	01/16/2025	01/16/2025	0.00	1,736.25		

Payment Register
APPKT00365 - CHECK RUN 1-13-25

60784	72-4441 - 952 ELM ST - SOLAR & BATTERY - P#5306	01/16/2025	01/16/2025	0.00	435.00
60785	72-4441 - 820 SHERWOOD WAY-SOLAR & BATTERY P#5306	01/16/2025	01/16/2025	0.00	525.00
60786	725283 - FY24 SEWER REHABILITATION	01/16/2025	01/16/2025	0.00	26,166.13
60803	72-4441 - 20 BUILDING DEPARTMENT SERV (FY 24-25)	01/16/2025	01/16/2025	0.00	356.25
Vendor Number 1261	Vendor Name COMCAST CABLE	Total Vendor Amount 265.27			
Payment Type Check	Payment Number 55180	Payment Date 01/16/2025	Payment Amount 265.27		
Payable Number 8155600290115941-122424	Description SERVICE 12-29-24 TO 1-28-25	Payable Date 01/13/2025	Due Date 01/13/2025	Discount Amount 0.00	Payable Amount 265.27
Vendor Number 1334	Vendor Name DEPT. OF CONSERVATION	Total Vendor Amount 12.28			
Payment Type Check	Payment Number 55181	Payment Date 01/16/2025	Payment Amount 12.28		
Payable Number 123124SMIF	Description OCTOBER - DECEMBER 2024 - SMIF FEES - ENG	Payable Date 01/13/2025	Due Date 01/13/2025	Discount Amount 0.00	Payable Amount 12.28
Vendor Number 1364	Vendor Name DURHAM-PENTZ TRUCK CENTER	Total Vendor Amount 550.00			
Payment Type Check	Payment Number 55182	Payment Date 01/16/2025	Payment Amount 550.00		
Payable Number 116278	Description VEHICLE MOBILE SERVICE - PUBLIC WORKS & SEWER	Payable Date 01/14/2025	Due Date 01/14/2025	Discount Amount 0.00	Payable Amount 550.00
Vendor Number 1415	Vendor Name EWING IRRIG. PRODUCTS,INC	Total Vendor Amount 116.51			
Payment Type Check	Payment Number 55183	Payment Date 01/16/2025	Payment Amount 116.51		
Payable Number 24566374	Description CHEMICALS STREET & PARK TREES-PW - PREV CREDIT	Payable Date 01/13/2025	Due Date 01/13/2025	Discount Amount 0.00	Payable Amount 116.51
Vendor Number 1463	Vendor Name GANDY & STALEY OIL CO	Total Vendor Amount 4,494.05			
Payment Type Check	Payment Number 55184	Payment Date 01/16/2025	Payment Amount 4,494.05		
Payable Number 226246	Description FUEL - PUBLIC WORKS & SEWER	Payable Date 01/13/2025	Due Date 01/13/2025	Discount Amount 0.00	Payable Amount 2,016.52
226252	FUEL - PUBLIC WORKS & SEWER	01/13/2025	01/13/2025	0.00	315.42
226315	FUEL - PUBLIC WORKS & SEWER	01/13/2025	01/13/2025	0.00	236.57
226316	FUEL - PUBLIC WORKS & SEWER	01/13/2025	01/13/2025	0.00	840.22
87140-123124	FUEL - FIRE	01/13/2025	01/13/2025	0.00	1,085.32
Vendor Number 2468	Vendor Name HARRIS & ASSOCIATES	Total Vendor Amount 5,441.25			
Payment Type Check	Payment Number 55185	Payment Date 01/16/2025	Payment Amount 5,441.25		
Payable Number 65623	Description PLANNING, ZONING, APPS, & PJT 10-27-24-10-23-24-PL	Payable Date 01/16/2025	Due Date 01/16/2025	Discount Amount 0.00	Payable Amount 5,441.25
Vendor Number 2432	Vendor Name IMPERIAL COUNTY OFFICE OF EDUCATION	Total Vendor Amount 2,214.04			
Payment Type Check	Payment Number 55186	Payment Date 01/16/2025	Payment Amount 2,214.04		
Payable Number INV25-00347	Description BROADBAND INTERNET JULY - SEPT 2024 - LIBRARY	Payable Date 01/14/2025	Due Date 01/14/2025	Discount Amount 0.00	Payable Amount 2,214.04

Payment Register

APPKT00365 - CHECK RUN 1-13-25

Vendor Number 1566	Vendor Name INFRAMARK LLC					Total Vendor Amount 165,663.33
Payment Type Check	Payment Number 55187				Payment Date 01/16/2025	Payment Amount 165,663.33
Payable Number 140710	Description JANUARY 2025 SERVICE & BAR SCREEN REBUILD - PW	Payable Date 01/16/2025	Due Date 01/16/2025	Discount Amount 0.00	Payable Amount 165,663.33	
Vendor Number 1577	Vendor Name INTERSTATE BATTERIES OF THE ROGUE RIVER					Total Vendor Amount 111.70
Payment Type Check	Payment Number 55188				Payment Date 01/16/2025	Payment Amount 111.70
Payable Number 30069300	Description BATTERY SERVICE VEHICLE - PUBLIC WORKS & SEWER	Payable Date 01/14/2025	Due Date 01/14/2025	Discount Amount 0.00	Payable Amount 111.70	
Vendor Number 1606	Vendor Name JEREMY'S PEST STOMPERS					Total Vendor Amount 55.00
Payment Type Check	Payment Number 55189				Payment Date 01/16/2025	Payment Amount 55.00
Payable Number 132514	Description JANUARY 2025 SERVICE - CIVIC CENTER	Payable Date 01/13/2025	Due Date 01/13/2025	Discount Amount 0.00	Payable Amount 55.00	
Vendor Number 1760	Vendor Name MATSON & ISOM TECHNOLOGY					Total Vendor Amount 9,160.76
Payment Type Check	Payment Number 55190				Payment Date 01/16/2025	Payment Amount 9,160.76
Payable Number 96168	Description ORDER #47 - CW	Payable Date 01/14/2025	Due Date 01/14/2025	Discount Amount 0.00	Payable Amount 3,337.76	
Payable Number 96195	Description NEW COUNCIL CHAMBERS LAPTOP - CITY COUNCIL	Payable Date 01/14/2025	Due Date 01/14/2025	Discount Amount 0.00	Payable Amount 950.00	
Payable Number 96545	Description JANUARY 2025 IT SERVICE - CITY WIDE	Payable Date 01/14/2025	Due Date 01/14/2025	Discount Amount 0.00	Payable Amount 4,873.00	
Vendor Number 1792	Vendor Name MJB WELDING SUPPLY, INC					Total Vendor Amount 53.32
Payment Type Check	Payment Number 55191				Payment Date 01/16/2025	Payment Amount 53.32
Payable Number 0001506437	Description ACETYLENE CYL RENTAL- SUPPLIES - PUBLIC WORKS	Payable Date 01/13/2025	Due Date 01/13/2025	Discount Amount 0.00	Payable Amount 53.32	
Vendor Number 1805	Vendor Name MUNICIPAL RESOURCE GROUP					Total Vendor Amount 698.40
Payment Type Check	Payment Number 55192				Payment Date 01/16/2025	Payment Amount 698.40
Payable Number 241587	Description WILLOWS - PD ASSESSMENT 24051-WIL - CC	Payable Date 01/13/2025	Due Date 01/13/2025	Discount Amount 0.00	Payable Amount 698.40	
Vendor Number 2312	Vendor Name NAPA AUTO PARTS					Total Vendor Amount 94.37
Payment Type Check	Payment Number 55193				Payment Date 01/16/2025	Payment Amount 94.37
Payable Number 698431	Description HYD FL 5GL - SEWER SET TRUCK - PW - SEWER	Payable Date 01/13/2025	Due Date 01/13/2025	Discount Amount 0.00	Payable Amount 94.37	
Vendor Number 1852	Vendor Name NORTHERN CALIF. GLOVES					Total Vendor Amount 564.89
Payment Type Check	Payment Number 55194				Payment Date 01/16/2025	Payment Amount 564.89
Payable Number 01574057	Description GLOVES - PARKS - PUBLIC WORKS	Payable Date 01/14/2025	Due Date 01/14/2025	Discount Amount 0.00	Payable Amount 564.89	

Payment Register

APPKT00365 - CHECK RUN 1-13-25

Vendor Number	Vendor Name					Total Vendor Amount
1143	PEDRO BOBADILLA					576.92
Payment Type	Payment Number			Payment Date	Payment Amount	
Check	55195			01/16/2025	576.92	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
11725PB	RECREATIONAL SERVICES 1-4-25 TO 1-17-25	01/13/2025	01/13/2025	0.00	576.92	
Vendor Number	Vendor Name					Total Vendor Amount
1917	PG & E					123.45
Payment Type	Payment Number			Payment Date	Payment Amount	
Check	55196			01/16/2025	123.45	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
1773553795-7-01022025	SERVICE TO 01-02-25	01/13/2025	01/13/2025	0.00	123.45	
Vendor Number	Vendor Name					Total Vendor Amount
2332	PRENTICE LONG, PC					24,607.00
Payment Type	Payment Number			Payment Date	Payment Amount	
Check	55197			01/16/2025	24,607.00	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
7236	SERVICES RENDERED THROUGH 12-26-24	01/13/2025	01/13/2025	0.00	18,330.00	
7237	N YOLO ST RECEIVERSHIP - SERVICES THROUGH 12-26-24	01/13/2025	01/13/2025	0.00	6,277.00	
Vendor Number	Vendor Name					Total Vendor Amount
2041	SACRAMENTO VALLEY MIRROR					266.80
Payment Type	Payment Number			Payment Date	Payment Amount	
Check	55198			01/16/2025	266.80	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
2596	AD#DR-24-09,#UP24-02A,#DR-24-06,#DR-24-08#DR-24-C	01/13/2025	01/13/2025	0.00	266.80	
Vendor Number	Vendor Name					Total Vendor Amount
2380	STATE WATER RESOURCES CONTROL BOARD					1,723.00
Payment Type	Payment Number			Payment Date	Payment Amount	
Check	55199			01/16/2025	1,723.00	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
SW-0312502	ANNUAL PERMIT FEE - 1600 S TEHAMA	01/13/2025	01/13/2025	0.00	1,723.00	
Vendor Number	Vendor Name					Total Vendor Amount
2447	TOP NOTCH COMMERCIAL CLEANING					1,375.00
Payment Type	Payment Number			Payment Date	Payment Amount	
Check	55200			01/16/2025	1,375.00	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
10911	JANUARY 2025 JANITORIAL SERVICES - CIVIC CENTER	01/13/2025	01/13/2025	0.00	1,375.00	
Vendor Number	Vendor Name					Total Vendor Amount
2368	TYLER BUSINESS FORMS					299.44
Payment Type	Payment Number			Payment Date	Payment Amount	
Check	55201			01/16/2025	299.44	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
100738	6 PART W-2 EZ-PACK 100 EMPLOYEES - CW	01/13/2025	01/13/2025	0.00	299.44	
Vendor Number	Vendor Name					Total Vendor Amount
2395	US BANK CORPORATE PAYMENT SYSTEMS					1,778.47
Payment Type	Payment Number			Payment Date	Payment Amount	
Check	55202			01/16/2025	1,778.47	
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
BROWN122324-01	INDEED JOBS - ADVERTISEMENT - CITY CLERK POSITION	01/16/2025	01/16/2025	0.00	500.12	
BROWN122324-02	CONSTANTCONTACT.COM - MONTHLY NEWSLETTER-CW	01/16/2025	01/16/2025	0.00	234.60	
BROWN122324-03	INDEED JOBS - ADVERTISEMENT - CITY CLERK POSITION	01/16/2025	01/16/2025	0.00	9.88	
BROWN122324-04	AMAZON - BATTERY CHARGER - CC	01/16/2025	01/16/2025	0.00	26.65	
BROWN122324-05	AMAZON - LAPTOP LOCK - CC	01/16/2025	01/16/2025	0.00	32.16	
BROWN122324-06	MERITAGE - LEAGUE OF CA CITIES CONF LODGING - CM	01/16/2025	01/16/2025	0.00	528.02	
MOORE122324-01	HAMPTON INN-LEAGUE OF CA CITIES-FIN CONF LODGING	01/13/2025	01/13/2025	0.00	183.00	

Payment Register

APPKT00365 - CHECK RUN 1-13-25

MOORE122324-02	MERITAGE-LEAUE OF CA CITIES CONF LODGING-MONCK	01/13/2025	01/13/2025	0.00	264.04
Vendor Number	Vendor Name	Total Vendor Amount			
2233	US BANK ST. PAUL CM-9703	125.00			
Payment Type	Payment Number	Payment Date	Payment Amount		
Check	55203	01/16/2025	125.00		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
14565750	BASE FEE - INVESTMENT ACCT 9-1-24 TO 11-30-24	01/13/2025	01/13/2025	0.00	125.00
Vendor Number	Vendor Name	Total Vendor Amount			
2248	VERIZON WIRELESS	403.40			
Payment Type	Payment Number	Payment Date	Payment Amount		
Check	55204	01/16/2025	403.40		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
6102140849	DECEMBER 2024 SERVICE	01/13/2025	01/13/2025	0.00	403.40
Vendor Number	Vendor Name	Total Vendor Amount			
2433	VESTIS	351.78			
Payment Type	Payment Number	Payment Date	Payment Amount		
Check	55205	01/16/2025	351.78		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
5066763161	UNIFORM SERVICE - PUBLIC WORKS	01/13/2025	01/13/2025	0.00	138.06
5066768723	UNIFORM SERVICE - PUBLIC WORKS	01/15/2025	01/15/2025	0.00	213.72
Vendor Number	Vendor Name	Total Vendor Amount			
2265	WASTE MANAGEMENT	61.37			
Payment Type	Payment Number	Payment Date	Payment Amount		
Check	55206	01/16/2025	61.37		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
56154042-0533	11-19-24 SURCHARGE - CIVIC CENTER	01/13/2025	01/13/2025	0.00	61.37
Vendor Number	Vendor Name	Total Vendor Amount			
2284	WILLDAN	17,323.15			
Payment Type	Payment Number	Payment Date	Payment Amount		
Check	55207	01/16/2025	17,323.15		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
00629149	SERV THROUGH 11-22-24 - CLEAN CA - SYCAMORE PARK	01/16/2025	01/16/2025	0.00	17,323.15
Vendor Number	Vendor Name	Total Vendor Amount			
2295	WILLOWS ACE HARDWARE	127.60			
Payment Type	Payment Number	Payment Date	Payment Amount		
Check	55208	01/16/2025	127.60		
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount
118417	KEYS FOR NEW COUNCIL MEMBERS - CITY COUNCIL	01/13/2025	01/13/2025	0.00	12.73
118760	PLIERS - SMALL TOOLS - PUBLIC WORKS	01/13/2025	01/13/2025	0.00	24.66
118954	CLOCK - SHOP - PUBLIC WORKS	01/13/2025	01/13/2025	0.00	31.09
119064	PICKUP TOOL - SEWER TRUCK - PW - SEWER	01/15/2025	01/15/2025	0.00	30.02
119199	NEW EMPLOYEE KEYS - CW	01/13/2025	01/13/2025	0.00	29.10

Payment Summary

Bank Code	Type	Payable Count	Payment Count	Discount	Payment
Gen Chk	Voided **Void Check	0	1	0.00	0.00
Gen Chk	Check	66	35	0.00	287,537.23
Packet Totals:		66	36	0.00	287,537.23

Cash Fund Summary

Fund	Name	Amount
999	CASH CLEARING	-287,537.23
Packet Totals:		-287,537.23



City of Willows

Payment Register

APPKT00367 - PAYROLL AP CHECK RUN 01-17-25

01 - Vendor Set 01

Bank: Gen Chk - General Checking

Vendor Number	Vendor Name					Total Vendor Amount
1029	AFLAC- FLEX ONE					848.99
Payment Type	Payment Number	Payment Date	Payment Amount			
Check	55209	01/17/2025	848.99			
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
INV0000952	AFLAC DENTAL	12/20/2024	12/31/2024	0.00	107.66	
INV0000953	AFLAC CANCER	12/20/2024	12/31/2024	0.00	108.88	
INV0000954	AFLAC ACCIDENT	12/20/2024	12/20/2024	0.00	94.19	
INV0000955	AFLAC STD	12/20/2024	12/31/2024	0.00	29.12	
INV0000957	AFLAC HOSPITAL	12/20/2024	12/31/2024	0.00	29.06	
INV0000958	AFLAC VISION	12/20/2024	12/31/2024	0.00	14.20	
INV0000981	AFLAC DENTAL	01/03/2025	01/31/2025	0.00	140.89	
INV0000982	AFLAC CANCER	01/03/2025	01/31/2025	0.00	69.82	
INV0000983	AFLAC ACCIDENT	01/03/2025	01/03/2025	0.00	143.87	
INV0000984	AFLAC STD	01/03/2025	01/31/2025	0.00	48.62	
INV0000986	AFLAC EVENT/CRITICAL	01/03/2025	01/31/2025	0.00	21.66	
INV0000987	AFLAC HOSPITAL	01/03/2025	01/31/2025	0.00	26.82	
INV0000988	AFLAC VISION	01/03/2025	01/31/2025	0.00	14.20	

Vendor Number	Vendor Name					Total Vendor Amount
1194	CALIFORNIA STATE DISBURSE					162.92
Payment Type	Payment Number	Payment Date	Payment Amount			
Check	55210	01/17/2025	162.92			
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
INV0001010	CHILD SUPPORT	01/17/2025	01/17/2025	0.00	162.92	

Vendor Number	Vendor Name					Total Vendor Amount
1650	FIRE RISK MANAGEMENT SERVICES					21,554.71
Payment Type	Payment Number	Payment Date	Payment Amount			
Check	55211	01/17/2025	21,554.71			
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
INV0000992	MEDICAL	01/03/2025	01/31/2025	0.00	5,556.32	
INV0000993	MEDICAL	01/03/2025	01/31/2025	0.00	5,063.07	
INV0001013	MEDICAL	01/17/2025	01/31/2025	0.00	5,556.28	
INV0001014	MEDICAL	01/17/2025	01/31/2025	0.00	5,063.04	
INV0001023	RETIREE HEALTH INSURANCE - MISTROT & ROBINETT	01/17/2025	01/17/2025	0.00	316.00	

Vendor Number	Vendor Name					Total Vendor Amount
1551	HUMANA DENTAL/VISION					1,319.16
Payment Type	Payment Number	Payment Date	Payment Amount			
Check	55212	01/17/2025	1,319.16			
Payable Number	Description	Payable Date	Due Date	Discount Amount	Payable Amount	
INV0000990	DENTAL	01/03/2025	01/31/2025	0.00	351.58	
INV0000991	DENTAL	01/03/2025	01/31/2025	0.00	231.27	
INV0000995	VISION	01/03/2025	01/31/2025	0.00	47.12	
INV0000996	VISION	01/03/2025	01/31/2025	0.00	29.66	
INV0001011	DENTAL	01/17/2025	01/31/2025	0.00	351.54	
INV0001012	DENTAL	01/17/2025	01/31/2025	0.00	231.21	
INV0001016	VISION	01/17/2025	01/31/2025	0.00	47.12	
INV0001017	VISION	01/17/2025	01/31/2025	0.00	29.66	

Payment Register

APPKT00367 - PAYROLL AP CHECK RUN 01-17-25

Vendor Number		Vendor Name		Total Vendor Amount	
2223		UNITED PUBLIC EMPLOYEES A		213.93	
Payment Type		Payment Number		Payment Date	Payment Amount
Check		55213		01/17/2025	213.93
Payable Number		Description		Payable Date	Due Date
INV0001015		PUBLIC SAFETY DUES		01/17/2025	01/31/2025
				Discount Amount	Payable Amount
				0.00	213.93

Payment Summary

Bank Code	Type	Payable Count	Payment Count	Discount	Payment
Gen Chk	Check	28	5	0.00	24,099.71
Packet Totals:		28	5	0.00	24,099.71

Cash Fund Summary

Fund	Name	Amount
999	CASH CLEARING	-24,099.71
Packet Totals:		-24,099.71



City of Willows

Payroll Check Register

Checks

Pay Period: 12/30/2024-1/12/2025

Packet: PYPKT00365 - PAY PERIOD 12-30-24 to 01-12-25 PAY DATE 01-17-25

Payroll Set: Payroll Set 01 - 01

Employee	Employee #	Check Type	Date	Amount	Number
----------	------------	------------	------	--------	--------

*** No Checks Created In This Packet ***



City of Willows

Payroll Check Register

Direct Deposits

Pay Period: 12/30/2024-1/12/2025

Packet: PYPKT00365 - PAY PERIOD 12-30-24 to 01-12-25 PAY DATE 01-17-25

Payroll Set: Payroll Set 01 - 01

Employee	Employee #	Date	Amount	Number
BROWN, MARTHA	BRO01	01/17/2025	3,489.14	1162
HAZLETT, ROBIN	HAZ01	01/17/2025	1,220.48	1163
MOORE, JOANNE	MOO01	01/17/2025	150.00	1164
MOORE, JOANNE	MOO01	01/17/2025	2,584.88	1164
RUSTENHOVEN, TARA L	RUS01	01/17/2025	1,625.86	1165
ARELLANES, ASHLEY MARIE	ARE00	01/17/2025	136.80	1166
BRIONES, BRENDA VALENZUELA	BRI00	01/17/2025	340.40	1167
EHORN, CAITLIN A	EHO02	01/17/2025	1,093.51	1168
GAMBOA, YADIRA	GAM00	01/17/2025	314.09	1169
SPENCE, KYLIEGH C	SPE02	01/17/2025	496.40	1170
VARGAS, GIOVANI	VAR00	01/17/2025	511.00	1171
ENOS, KYLE	ENO00	01/17/2025	2,023.09	1172
FUENTES, JAIME	FUE01	01/17/2025	1,442.70	1173
HUTSON, EVAN C	HUT01	01/17/2025	415.66	1174
LOMBARD, TYLER JOSEPH	LOM00	01/17/2025	5,568.54	1175
MINGS, MICHAEL E	MIN00	01/17/2025	1,427.88	1176
RANDOLPH, MATTHEW	RAN01	01/17/2025	1,242.25	1177
REED, JOSHUA	REE00	01/17/2025	1,363.35	1178
VASQUEZ, PEDRO CEASAR	VAS01	01/17/2025	1,466.82	1179
BETTENCOURT, JOSEPH	BET01	01/17/2025	3,589.02	1180
MONCK, NATHANIAL T	MON00	01/17/2025	7,855.27	1181
PFYL, NATISA N	PFY00	01/17/2025	1,606.83	1182



City of Willows

Payroll Check Register

Employee Pay Summary

Pay Period: 12/30/2024-1/12/2025

Packet: PYPKT00365 - PAY PERIOD 12-30-24 to 01-12-25 PAY DATE 01-17-25

Payroll Set: Payroll Set 01 - 01

Employee	Employee #	Payment Date	Number	Earnings	Deductions	Taxes	Net
ARELLANES, ASHLEY MARIE	ARE00	01/17/2025	1166	149.92	0.00	13.12	136.80
BETTENCOURT, JOSEPH	BET01	01/17/2025	1180	4,808.00	421.86	797.12	3,589.02
BRIONES, BRENDA VALENZU	BRI00	01/17/2025	1167	384.00	0.00	43.60	340.40
BROWN, MARTHA	BRO01	01/17/2025	1162	5,676.92	801.79	1,385.99	3,489.14
EHORN, CAITLIN A	EHO02	01/17/2025	1168	1,499.20	164.56	241.13	1,093.51
ENOS, KYLE	ENO00	01/17/2025	1172	2,924.91	483.50	418.32	2,023.09
FUENTES, JAIME	FUE01	01/17/2025	1173	2,157.58	546.90	167.98	1,442.70
GAMBOA, YADIRA	GAM00	01/17/2025	1169	352.00	0.00	37.91	314.09
HAZLETT, ROBIN	HAZ01	01/17/2025	1163	1,948.62	596.63	131.51	1,220.48
HUTSON, EVAN C	HUT01	01/17/2025	1174	455.52	0.00	39.86	415.66
LOMBARD, TYLER JOSEPH	LOM00	01/17/2025	1175	7,262.29	733.72	960.03	5,568.54
MINGS, MICHAEL E	MIN00	01/17/2025	1176	2,130.40	312.21	390.31	1,427.88
MONCK, NATHANIAL T	MON00	01/17/2025	1181	12,760.15	747.32	4,157.56	7,855.27
MOORE, JOANNE	MOO01	01/17/2025	1164	4,643.20	724.31	1,184.01	2,734.88
PFYL, NATISA N	PFY00	01/17/2025	1182	2,961.51	846.43	508.25	1,606.83
RANDOLPH, MATTHEW	RAN01	01/17/2025	1177	1,717.60	182.26	293.09	1,242.25
REED, JOSHUA	REE00	01/17/2025	1178	1,910.83	358.80	188.68	1,363.35
RUSTENHOVEN, TARA L	RUS01	01/17/2025	1165	2,406.91	419.85	361.20	1,625.86
SPENCE, KYLIEGH C	SPE02	01/17/2025	1170	544.00	0.00	47.60	496.40
VARGAS, GIOVANI	VAR00	01/17/2025	1171	560.00	0.00	49.00	511.00
VASQUEZ, PEDRO CEASAR	VAS01	01/17/2025	1179	2,130.69	393.69	270.18	1,466.82
Totals:				59,384.25	7,733.83	11,686.45	39,963.97



City of Willows

Payroll Check Register Report Summary

Pay Period: 12/30/2024-1/12/2025

Packet: PYPKT00365 - PAY PERIOD 12-30-24 to 01-12-25 PAY DATE 01-17-25

Payroll Set: Payroll Set 01 - 01

Type	Count	Amount
Regular Checks	0	0.00
Manual Checks	0	0.00
Reversals	0	0.00
Voided Checks	0	0.00
Direct Deposits	22	39,963.97
Total	22	39,963.97



Willows City Council Regular Meeting Action Minutes

January 14, 2025
Willows City Hall
6:00 PM

Agenda Item #6b

City Council

Evan Hutson, Mayor
Rick Thomas, Vice Mayor
Matt Busby, Council Member
Gary Hansen, Council Member
Lorri Pride, Council Member

City Manager
Marti Brown

City Clerk
Karleen Price

201 North Lassen Street
Willows, CA 95988
(530) 934-7041

1. **CALL TO ORDER – 6:00 PM**

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL**

Councilmembers Present: Mayor Hutson, Vice Mayor Thomas, and Councilmembers Busby, Hansen and Pride

Councilmembers Absent: None

4. **CHANGES TO THE AGENDA**

Continued Item 7a. to the January 28, 2025, City Council Meeting

5. **PRESENTATION**

a. **Willows PD Feasibility Study**

Action: Received presentation from Consultant Brian Uhler and provided feedback.

b. **Military Stand Down**

Action: Received presentation from Supervisor Yoder.

6. **PUBLIC COMMENT & CONSENT CALENDAR FORUM**

a. **Public Comment**

i. Public comment #1: Sheriff Justin Gibbs

ii. Public comment #2: Jason Grant

iii. Public comment #3: Laren Still

b. **Register Approval**

Action: Approved general checking, payroll, and direct deposit check registers.

c. **Minutes Approval**

Action: Approved the December 10, 2024, and December 17, 2024, meeting minutes.

d. **New Chlorine Analyzer and Rebuild Existing Influent Pump**

Action: Approved budget authority of \$20,565.60 to replace a chlorine analyzer and rebuild one of the influent pumps at the Wastewater Treatment Plant (WWTP).

Action: Approved consent calendar, with item b amended minutes correcting the 2025 City Council Committee Appointments:

Moved/Seconded: Councilmember Pride and Vice Mayor Thomas

Yes: Mayor Hutson, Vice Mayor Thomas, Councilmembers Busby, Hansen, and Pride

No: None

Absent: None

7. **PUBLIC HEARING**

b. **Second Reading by Title Only of Ordinance 760-2024 - Cannabis Retail/Dispensary Businesses in Central Commercial Zone**

Hearing Open: 7:10PM, Closed 7:12PM

Public Comment #1: Jason Grant

Action: Adopted Ordinance 760-2024, by title only.

Moved/Seconded: Vice Mayor Thomas and Councilmember Busby

Yes: Mayor Hutson, Vice Mayor Thomas, Councilmembers Hansen and Busby

No: Councilmember Pride

Absent: None

Action: Waived Second Reading

Moved/Seconded: Mayor Hutson and Councilmember Busby

Yes: Mayor Hutson, Vice Mayor Thomas, Councilmember Busby

No: Councilmembers Hansen and Pride

Absent: None

Action: Authorized amendment to the Willows Municipal Code chapter 18.55.030 to allow cannabis retail/dispensary businesses in the Central Commercial Zone with a Conditional Use Permit.

Moved/Seconded: Mayor Hutson and Councilmember Busby

Yes: Mayor Hutson, Vice Mayor Thomas, Councilmember Busby

No: Councilmembers Hansen and Pride

Absent: None

- c. **Second Reading by Title Only of Ordinance 761-2024 - Cannabis Retail/Dispensary Businesses in General Commercial and Light Industrial Zones**

Hearing Open: 7:37PM, Closed 7:44PM

Public comment #1: Doug Ross

Action: Waived Second Reading by Title Only of Ordinance 761-2024 - Cannabis Retail/Dispensary Businesses in General Commercial and Light Industrial Zones

Moved/Seconded: Vice Mayor Thomas and Councilmember Busby

Yes: Mayor Hansen, Vice Mayor Hutson, Councilmembers Busby, Thomas and Pride

No: None

Absent: None

Action: Authorized amendment to the Willows Municipal Code chapter 18.60.030 to allow cannabis retail/dispensary businesses in the General Commercial Zone with a Conditional Use Permit.

Moved/Seconded: Vice Mayor Thomas and Councilmember Busby

Yes: Mayor Hutson, Vice Mayor Thomas, Councilmember Busby

No: Councilmembers Hansen and Pride

Absent: None

8. DISCUSSION AND ACTION CALENDAR

a. City Hall ADA Door Upgrade Project

Action: Authorized the City Manager, or her designee, to approve an overall project budget of \$178,944 (including a 10% contingency), execute a contract with Billson Construction in the amount of \$131,813 for project construction, and a task order agreement with Coastland Engineering (the City's Engineer) for \$33,950 for Construction Management. This project is funded by Community Development Block Grant (CDBG) funding administered by Glenn County.

Moved/Seconded: Councilmember Hansen and Pride

Yes: Mayor Hutson, Vice Mayor Thomas, Councilmembers Busby, Hansen, and Pride

No: None

b. Jensen Park Improvement Project

Action: Authorized Recommended Action: Approve a resolution authorizing the City Manager to execute an agreement with Rock Creek Construction Inc. for \$125,000 to construct sidewalk improvements as part of the Jensen Park Improvement Project and establish an overall budget of \$158,690.

Moved/Seconded: Councilmembers Pride and Hansen

Yes: Mayor Hutson, Vice Mayor Thomas, Councilmembers Busby, Hansen, and Pride

No: None

c. **Cannabis Retail Business Application - Ad Hoc Committee**

Action: Established an Ad Hoc Committee and appointed Vice-Mayor Thomas and Councilmember Pride to the Committee.

Moved/Seconded: Councilmember Hansen and Pride

Yes: Mayor Hutson, Vice Mayor Thomas, Councilmembers Busby, Hansen, and Pride

No: None

9. **ADJOURNMENT – 8:34 PM**

Karleen Price, City Clerk



Date: January 28, 2025

To: Honorable Mayor and Councilmembers

From: Marti Brown, City Manager

Subject: New Appointments to Northern California Cities Self-Insured Fund (NCCSIF)
Board of Directors

Recommendation:

Adopt a Resolution of the City Council of the City of Willows approving appointment of Marti Brown, the City Manager, to the Northern California Cities Self Insurance Fund (NCCSIF) Board of Directors to represent the City's insurance interests, and Joanne Moore, the Finance Director, as the Alternate.

Rationale for Recommendation:

NCCSIF requires a resolution from the governing board appointing a city staff person to the Board and an Alternate. Since August of 2023, the primary appointed position has been vacant and the Alternate, the City Manager, has been attending the NCCSIF board meetings. The appointments and resolution need to be updated and submitted to Alliant, the Agency that manages the NCCSIF Joint Powers Authority.

Background:

The City is a member of the NCCSIF to receive various insurance and risk management services. Membership requires appointment of a City employee to the Board of Directors to represent the City's insurance interests.

Discussion & Analysis:

Since January 2023, the City's primary appointment has been vacant, and the City Manager (appointed Alternate) has been attending the meetings. The City Manager wishes to continue attending the board meetings as the primary appointment with the Finance Director as the Alternate.

Fiscal Impact:

There is no fiscal impact to approving this recommendation.

Attachment:

- Attachment 1: Resolution No. XX-2025



**City of Willows
Resolution XX-2025**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS
APPROVING APPOINTMENT OF THE MARTI BROWN, CITY MANAGER, TO THE NORTHERN
CALIFORNIA CITIES SELF INSURANCE FUND (NCCSIF) BOARD OF DIRECTORS TO REPRESENT
THE CITY'S INSURANCE INTERESTS, AND JOANNE MOORE, FINANCE DIRECTOR, AS THE
ALTERNATE**

IN WITNESS WHEREOF, the following persons have been designated as the Northern California Cities Self Insurance Fund (NCCSIF) Director and alternate for the City of Willows.

Director: Marti Brown, City Manager
Alternate: Joanne Moore, Finance Director

PASSED, APPROVED, AND ADOPTED on this 28th day of January 2025 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

ATTESTED:

Evan Hutson, Mayor

Karleen Price, City Clerk



Date: January 28, 2025

To: City Council

From: John Wanger, City Engineer
Joe Bettencourt, Community Development Services Director
Marti Brown, City Manager

Subject: Annual Development Impact Fee Report – FY2023-24

Recommendation:

Receive the Mitigation Fee Act (AB 1600) Report on Development Impact Fees for Fiscal Year Ending June 30, 2024 (Attachment 1) and adopt the attached resolution (Attachment 2).

Rationale for Recommendation:

Pursuant to Government Code 66000 et seq, when a City adopts and implements a Development Impact Fee program, the agency implementing the fees shall make available to the public an annual report detailing specifics of fees collected and expended.

Background:

The Government Code requires that this report be made available to the public within 180 days of the end of the prior fiscal year. The report was included on the City's website as of December 18, 2024.

Discussion & Analysis:

The attached report fulfills the requirements of AB 1600 by addressing the following:

- A brief description of the type of fee in the account or fund.
- The amount of the fee.
- The beginning and ending balance of the account or fund for the fiscal year covered by the report.
- The amount of the fees collected, and the interest earned.
- An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees in the fiscal year covered by the report.

- An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement.
- If applicable, a description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.
- The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.

Fiscal Impact:

As this report is an accounting of what has happened in the past fiscal year, there are no fiscal impacts associated with this report. Costs for developing the report were paid by the Development Impact Fee fund.

Attachments:

- Attachment 1: Annual Mitigation Fee Act (AB 1600) Report on Development Impact Fees for Fiscal Year Ending June 30, 2024
- Attachment 2: Resolution XX-2025

City of Willows
Annual Mitigation Fee Act (AB 1600) Report on Development Impact Fees
for Fiscal Year Ending June 30, 2024

Introduction

LEGAL REQUIREMENTS FOR DEVELOPMENT IMPACT FEE REPORTING

A. California Government Code Section 66006 (b)

Government Code Section 66006(b) defines the specific annual reporting requirements for local agencies that impose AB 1600 Development Impact Fees on new development. Annually, for each separate fund established for the collection and expenditure of Development Impact Fees, the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the following information for the most recent fiscal year:

- A brief description of the fee in the account or fund; and
- The amount of the fee; and
- The beginning and ending balance of the account or fund; and
- The amount of the fees collected, and the interest earned; and
- An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement; including the total percentage of the cost of the public improvement that was funded with the fees; and
- An identification of an approximate date by which the construction of the public improvement will commence, if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement; and
- A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan; and
- The amount of refunds made due to sufficient funds being collected to complete financing on incomplete public improvements when the local agency fails to identify, within 180 days, an approximate date construction will comment, and the amount of reallocated funds when the administrative costs of refunding unexpended revenues exceeding the amount to be refunded.

B. California Government Code Section 66001 (d)

For all funds established for the collection and expenditure of Development Impact Fees, Governmental Code Section 66001 (d) has additional requirements. For the fifth fiscal year following the first deposit into the fund and every five years thereafter, the local agency shall make all of the following findings with respect to that portion of the fund remaining unexpended, whether committed or uncommitted:

- Identify the purpose to which the fee is to be put; and
- Demonstrate a reasonable relationship between the fee and the purpose for which it is charged; and
- Identify all sources and amounts of funding anticipated to complete financing of incomplete improvements; and

- Designate the approximate dates on which the funding is expected to be deposited into the appropriated account or fund.

C. Additional Notes

California Government Code Section 66002 states that local agencies that have developed a fee program may adopt a Capital Improvement Plan (CIP) indicating the approximate location, size, timing of availability, and estimates of cost for all facilities or improvements to be financed by fees. A formal CIP is recommended, at a minimum, as a five-year plan. The City of Willows has developed a CIP and at the duly noticed public meeting, the City Council adopted the most recent CIP at the City Council Meeting of July 26, 2022. An updated version of the CIP is scheduled to be adopted in January 2024.

D. Establishing a Reasonable Relationship Between the Fee and the Purpose for Which it is Charged.

On June 24, 2008, the City Council adopted Resolution 30-2008 establishing Development Impact Fees as set forth in the Development Impact Mitigation Fee Feasibility Study completed that year for the City. Subsequently, the City adopted Ordinance 684-09 setting forth the overall Development Impact Fee Program.

The Development Impact Fees Nexus Study sets forth the relationship between contemplated future development, facilities needed to serve future development and the estimated costs for those improvements based on the General Plan. Per Section 19-05.030 of the City's Municipal Code, the City can review the fees to determine whether the fee amounts are reasonably related to the impacts of developments. Additionally, fees can be updated annually to reflect changes in the Engineering News Record (ENR) Index.

E. Funding of Infrastructure

The FY 2023-2024 adopted budget includes funding for those capital improvements identified in the Capital Improvement Program (CIP) for funding projects identified for the current budget year. Due to the recent prioritization and adoption of a CIP, the FY 2023-2024 and future budgets will include providing a framework for programming projects for implementation by fiscal year for planning purposes.

The City of Willows collects Development Impact Fees to offset and address the impacts of new development on facilities and infrastructure. Currently there are eight Development Impact Fee categories:

- Library
- Parks and Recreation
- Freeway Interchanges
- Street and Traffic
- Public Safety-Police
- Fire
- Wastewater
- Storm Drainage

While each fee category has its own methodology for determining fees, two main principles apply throughout:

- The City of Willows aims to maintain the existing level of service through any periods of growth; and
- New development should pay its fair share of the City's infrastructure needs.

The fees in effect as of June 1, 2021, are as follows:

TABLE 1 – Current Impact Fees

Development Impact Fees	Single Family Residence \$ per unit	Multi-Family Residence \$ per unit	Commercial \$ per 1,000 s.f.	Industrial \$ per 1,000 s.f.
Library	\$1,495	\$1,434	-	-
Parks and Recreation	\$2,995	\$2,872	-	-
Freeway Interchanges	\$412/k.s.f.	\$290/ k.s.f.	\$892	\$276
Street and Traffic	\$768/k.s.f.	\$539/k.s.f.	\$1,662	\$514
Police	\$790/k.s.f.	\$758/k.s.f.	\$344	\$162
Fire	\$1,623/household or k. s.f.	\$1,556/household or k.s.f.	\$707	\$333
Wastewater	\$1,261/k.s.f.	\$1,209/k.s.f.	\$549	\$258
Storm Drainage	\$1,261/k.s.f.	\$1,209/k.s.f.	\$549	\$258

A detailed description of FY 2023 activity for each development fee follows. The City anticipates collecting additional development fee revenue in order to generate sufficient funds to construct, install and purchase the improvements and equipment described in the Development Impact Fee Report dated May 2008.

Library Facilities Fee

The Library Facilities Fee is levied to fund the costs related to new development's impact on library facilities at the same rate per capita as existing development. A listing of the cost per square foot for library construction is included in the May 2008 Development Impact Mitigation Fee Report (referred to herein as the 2008 Report). Additionally, the 2008 Report details that monies collected shall be used for new facilities needed to accommodate growth that include an additional 3063 square feet of library, 27,032 new books and 2.5 new computer workstations. The current fee charge for Library Impact Fees is shown in Table 1.

The Library Facilities Fee at the end of FY23-24 is \$120,898. One capital project was done in FY23-24. The project included replacing/upgrading the air conditioning system serving the library. The City Attorney's office developed a nexus based on the fact that the Willows Library is one of Glenn County's Cooling/Heating Centers and, therefore, serves the entire County. Since the nexus study was published in 2008, Glenn County's population has increased by 1,138 or 4%. Since the Willows Library serves all of Glenn County and there has been an increase in population, the City Attorney determined that the City could use the impact fees as matching funds for the grant. In addition, there has been an increase in the number of computer stations and library programs since 2008 that are available to all Glenn County residents (which also demonstrates growth).

The balance of the remaining Library Development Impact fee funds are committed for the long-term need to expand the library building, volumes of book and computer facilities. The following table summarizes the activity for the Library Facilities Fee Fund for fiscal year July 1, 2023, through June 30, 2024.

LIBRARY FACILITIES FUND	FY 2023-24
Beginning Balance	\$143,201
Developer Fees	\$0
Interest Income	\$2,543
Expenditures	\$24,846
Ending Balance	\$120,898

The expenditures were for the City's matching portion of the cost of the HVAC replacement/upgrade project from this fund during FY23-24. The original impact fee report stated that the existing population at the time the report was completed was 6,473 which was the average figure from the General Plan, the State Department of Finance and ESRI Tapestry. The original report was estimating a 1.5% population growth each year. As of January 1, 2024, per the Department of Finance for the State of California, the population of the City of Willows was 6,321. As the population increases, improvements associated with expansion of the library, additional books and additional computers will be needed. It is anticipated that when the population reaches 8,000-8,500, expansion of the facilities will be needed. The date when this will occur is unknown and dependent on when growth occurs within the City. Books and computers will be needed on a pro-rata basis as the population grows.

No interfund transfers or loans were made from this account.

No refunds were made from this fund pursuant to subdivision (e) of Section 66001 of the Government Code, as insufficient funds have been collected for the improvements identified in the 2008 Report.

Parks and Recreation Fee

The Parks and Recreation fee is levied to fund the cost of park amenities as listed in the 2008 Report.

These improvements include:

- Solar lights for park around play equipment/pathways and pedestrian walkway lighting
- 2 new softball fields
- Bike paths/BMX course
- Warm-up areas for softball pitchers
- Coin/token operated softball lights
- Pathways in parks
- Trees
- 2 soccer fields
- 14 acres of additional parks

The Parks and Recreation Fee Fund at the end of FY23-24 is \$343,358. The current fee charge for Parks and Recreation Impact Fees is shown in Table 1. No capital projects were done in FY23-24. The funds are committed for the long-term need for the facilities outlined above. The following table summarizes the activity for the Parks and Recreation Fee Fund for fiscal year July 1, 2023, through June 30, 2024.

PARKS AND RECREATION FEE FUND	FY 2023-24
Beginning Balance	\$337,105
Developer Fees	\$0
Interest Income	\$6,253
Expenditures	0
Ending Balance	\$343,358

No expenditures were made from this fund during FY23-24. The original impact fee report stated that the existing population at the time the report was completed was 6,473 which was the average figure from the General Plan, the State Department of Finance and ESRI Tapestry. The original report was estimating a 1.5% population growth each year. As of January 1, 2024, per the Department of Finance for the State of California, the population of the City of Willows was 6,321. As the population increases, improvements associated with expansion of the Parks and Recreation facilities will be needed. It is anticipated that when the Basin Street residential project is constructed, additional new park amenities (both soccer and baseball/softball fields will be needed, along with the amenities associated with the park(s). The developer has been conditioned to dedicate parklands and improvements at the parks as that development is built. It is anticipated that the improvements will be built with that development in lieu of paying their portion of this impact fee, as well as the developer will contribute additional monies to complete the needed improvements. The date when this will occur is dependent on when growth occurs within the City.

No interfund transfers or loans were made from this account.

No refunds were made from this fund pursuant to subdivision (e) of Section 66001 of the Government Code, as insufficient funds have been collected for the improvements identified in the 2008 Report.

Freeway Interchange Fee

The Freeway Interchange Fee is levied to fund the construction of improvements to the southbound off-ramps and signals for the Interstate 5 Interchanges. Improvements associated with the I-5 interchange at Wood Street were primarily completed with the Walmart development. Improvements associated with the Road 57 Interchange are slated to be completed as development at the southern portion of the City is built out.

The Freeway Interchange Fee Fund at the end of FY23-24 is \$402,056. The current fee charge for Freeway Interchange Impact Fees is shown in Table 1. No capital projects were done in FY23-24. The funds are committed for the long-term need for improvements to the Road 57/I-5 Interchange. The following table summarizes the activity for the Freeway Interchange Fee Fund for fiscal year July 1, 2023, through June 30, 2024.

FREEWAY INTERCHANGE FEE FUND	FY 2023-24
Beginning Balance	\$393,110
Developer Fees	\$1,633
Interest Income	\$7,313
Expenditures	0
Ending Balance	\$402,056

No expenditures were made from this fund during FY23-24. The original impact fee report stated that the existing population at the time the report was completed was 6,473 which was the average figure from the General Plan, the State Department of Finance and ESRI Tapestry. The original report was estimating a 1.5% population growth each year. As of January 1, 2024, per the Department of Finance for the State of California, the population of the City of Willows was 6,321. As the population increases and traffic trips increase, improvements associated with the Road 57/I-5 Interchange will be needed. It is anticipated that when the Basin Street residential project and the Taylor property is improved, interchange improvements will be needed. The exact timing of the needed improvements will be determined by the project trip volumes from development that occurs in the southern portion of the City. The date when this will occur is dependent on when growth occurs within the City.

No interfund transfers or loans were made from this account.

No refunds were made from this fund pursuant to subdivision (e) of Section 66001 of the Government Code, as insufficient funds have been collected for the improvements identified in the 2008 Report.

Street and Traffic Impact Fee

Per the 2008 Report, the Street and Traffic Impact Fee is levied to fund the construction of the following improvements:

- Tehama @ Sycamore turn lane and signal modification
- Tehama - Cedar to Road 53 road widening to 4 lanes
- Tehama @ GCID canal bridge modifications
- Tehama – northbound @ Road 53 right turn lane improvements
- Tehama @ Road 53 – intersection reconstruction
- Road 53 westbound @ Tehama – construct right turn lane
- Sacramento @ GCID canal bridge modifications

The Street and Traffic Fee Fund at the end of FY23-24 is \$189,667. The current fee charge for Street and Traffic Impact Fees is shown in Table 1. No capital projects were done in FY23-24 where Street and Traffic Impact Fees were used. The funds are committed for the long-term need for improvements to the Tehama Road, various intersections and 2 bridges. The following table summarizes the activity for the Street and Traffic Impact Fee Fund for fiscal year July 1, 2023, through June 30, 2024.

STREET AND THOROUGHFARE IMPACT FEE	FY 2023-24
Beginning Balance	\$185,290
Developer Fees	\$929
Interest Income	\$3,448
Expenditures	0
Ending Balance	\$189,667

No expenditures were made from this fund during FY23-24. The original impact fee report stated that the existing population at the time the report was completed was 6,473 which was the average figure from the General Plan, the State Department of Finance and ESRI Tapestry. The original report was estimating a 1.5% population growth each year. As of January 1, 2024, per the Department of Finance for the State of California, the population of the City of Willows was 6,321. As the population increases and traffic trips increase from projected development in the southern portion of the City, improvements associated with improvements to Tehama, intersections and bridges will be needed. It is anticipated that when the Basin Street residential project and the Taylor property is improved, these improvements will be needed. The exact timing of the needed improvements will be determined by the project trip volumes from development that occurs in the southern portion of the City. The date when this will occur is dependent on when growth occurs within the City.

No interfund transfers or loans were made from this account.

No refunds were made from this fund pursuant to subdivision (e) of Section 66001 of the Government Code, as insufficient funds have been collected for the improvements identified in the 2008 Report.

Police Impact Fee

The Police Impact Fee is levied to fund the expansion of the police station, as well as 3 additional police cars needed as new development occurs. Details of the needed facilities and equipment are outlined in the 2008 Report. As of July 1, 2017, the City has outsourced all police services through a contract with Glenn County Sherriff's Office (GCSO.) In the agreement with GCSO, the agreement states that GCSO *"...shall furnish and supply all necessary labor, supervision, transportation, equipment, communication facilities, and supplies necessary to provide the Services to be rendered hereunder."* As growth occurs in the City and GCSO encounters a need to expand their facilities or add vehicles due to population growth in the City of Willows, the Police Impact Fees can be used to pay GCSO for these costs.

The Police Impact Fee Fund at the end of FY23-24 is \$63,082. The current fee charge for the Police Impact Fee is shown in Table 1. There were no fund expenditures out of this fund in FY23-24. The funds are committed for the long-term need for expansion of needed facilities and patrol cars as growth occurs. The following table summarizes the activity for the Police Impact Fee Fund for fiscal year July 1, 2023, through June 30, 2024.

POLICE IMPACT FEE	FY 2023-24
Beginning Balance	\$61,742
Developer Fees	\$192
Interest Income	\$1,148
Expenditures	0
Ending Balance	\$63,082

No expenditures were made from this fund during FY23-24. The original impact fee report stated that the existing population at the time the report was completed was 6,473 which was the average figure from the General Plan, the State Department of Finance and ESRI Tapestry. The original report was estimating a 1.5% population growth each year. As of January 1, 2024, per the Department of Finance for the State of California, the population of the City of Willows was 6,321. As the population increases it is anticipated that additional officers and vehicles will be needed. The exact timing of the needed officers and vehicles is dependent on when growth occurs within the City.

No interfund transfers or loans were made from this account.

No refunds were made from this fund pursuant to subdivision (e) of Section 66001 of the Government Code, as insufficient funds have been collected for the improvements identified in the 2008 Report.

Fire Impact Fee

The Fire Impact Fee is levied to fund the following due to impacts from development:

- One new structure engine
- Outfit new engine
- Purchase 3 new breathing apparatus
- Expansion of the existing fire station

Details of the needed facilities and equipment are outlined in the 2008 Report.

The Fire Impact Fee Fund at the end of FY23-24 is \$2,130. The current fee charge for the Fire Impact Fee is shown in Table 1. There were no fund expenditures out of this fund in FY23-24. The funds are committed for the long-term need for expansion of needed facilities and equipment as development occurs. The following table summarizes the activity for the Fire Impact Fee Fund for fiscal year July 1, 2023, through June 30, 2024.

FIRE IMPACT FEE	FY 2023-24
Beginning Balance	\$1,713
Developer Fees	\$395
Interest Income	\$22
Expenditures	\$0
Ending Balance	\$2,130

No expenditures were made from this fund during FY23-24. The original impact fee report stated that the existing population at the time the report was completed was 6,473 which was the average figure from the General Plan, the State Department of Finance and ESRI Tapestry. The original report was estimating a 1.5% population growth each year. As of January 1, 2024, per the Department of Finance for the State of California, the population of the City of Willows was 6,321. As the population increases it is anticipated that additional equipment and facility expansion will be needed. The exact timing of the needed equipment and facility expansion is dependent on when growth occurs within the City.

No interfund transfers or loans were made from this account.

No refunds were made from this fund pursuant to subdivision (e) of Section 66001 of the Government Code, as insufficient funds have been collected for the improvements identified in the 2008 Report.

Wastewater Impact Fee

In 2006, the City invested \$10.256 million to upgrade the City's Wastewater Treatment Plant to be able to process 2.0 million gallons per day of wastewater (accommodated both existing and future growth.) Of the overall amount, \$3.367 million was paid by grant and internal funding and an additional \$70,000 in principle was paid by the City, leaving \$6,819,000 in costs. Per the 2008 Report, of \$6,819,000, 20% (\$1,380,871) was the new development share of the cost.

The Wastewater Impact Fee Fund at the end of FY23-24 is \$0. The current fee charge for the Wastewater Impact Fee is shown in Table 1. There were \$40,419 in fund expenditures out of this fund in FY23-24. The funds collected are committed to annually pay back the long-term debt incurred by the City for the expansion of the Wastewater Treatment Plant. The following table summarizes the activity for the Wastewater Impact Fee Fund for fiscal year July 1, 2023, through June 30, 2024.

WASTEWATER IMPACT FEE	FY 2023-24
Beginning Balance	\$0
Developer Fees	\$40,419
Interest Income	\$0
Expenditures	\$40,419
Ending Balance	\$0

Expenditures in FY2023-24 included payment on the debt service for the long-term debt. The original impact fee report stated that the existing population at the time the report was completed was 6,473 which was the average figure from the General Plan, the State Department of Finance and ESRI Tapestry. The original report was estimating a 1.5% population growth each year. As of January 1, 2024, per the Department of Finance for the State of California, the population of the City of Willows was 6,321. As the population increases it is anticipated that the additional impact fees will be collected to pay off the remaining debt of the Wastewater Treatment Plant. The exact timing of collecting the remaining fees is dependent on when growth occurs within the City.

No interfund transfers or loans were made from this account.

No refunds were made from this fund pursuant to subdivision (e) of Section 66001 of the Government Code, as funds are used to pay off existing debt on an annual basis.

Storm Drainage Impact Fee

Per the 2008 Report, the Storm Drain Impact Fee is levied to fund the construction of city-wide storm drain improvements associated with impacts from development.

The Storm Drainage Impact Fee Fund at the end of FY23-24 is \$159,208. The current fee charge for Storm Drainage Impact Fees is shown in Table 1. There were no fund expenditures out of this fund in FY23-24. The funds are committed for the long-term need for improvements to city-wide storm drain improvements due to development. The following table summarizes the activity for the Storm Drainage Impact Fee Fund for fiscal year July 1, 2023, through June 30, 2024.

STREET AND THOROUGHFARE IMPACT FEE	FY 2023-24
Beginning Balance	\$155,478
Developer Fees	\$836
Interest Income	\$2,894
Expenditures	\$0
Ending Balance	\$159,208

No expenditures were made from this fund during FY23-24. The original impact fee report stated that the existing population at the time the report was completed was 6,473 which was the average figure from the General Plan, the State Department of Finance and ESRI Tapestry. The original report was estimating a 1.5% population growth each year. As of January 1, 2024, per the Department of Finance for the State of California, the population of the City of Willows was 6,321. As the population increases the overall impervious area in the City will increase and cause impacts to stormwater runoff, which will result in additional improvements to existing storm drain facilities or new storm drain facilities. The exact timing of the needed improvements will be determined by new development. Accordingly, the date when this will occur depends on when growth occurs within the City.

No interfund transfers or loans were made from this account.

No refunds were made from this fund pursuant to subdivision (e) of Section 66001 of the Government Code, as insufficient funds have been collected for the improvements identified in the 2008 Report.



**City of Willows
Resolution xx-2025**

**RESOLUTION OF THE CITY COUNCIL OF CITY OF WILLOWS APPROVING THE FY2023-24
ANNUAL DEVELOPMENT IMPACT FEE REPORT**

WHEREAS, Pursuant to Government Code 66000 et seq, in 2008 the City of Willows adopted a Development Impact Mitigation Fee Feasibility/Nexus Study and established public facilities fees to recover the impacts that development will have on the City's facilities; and

WHEREAS, specific facilities fees were established for Library, Parks and Recreation, Freeway Interchange, Street and Traffic, Police, Fire, Wastewater, Storm Drainage and Administrative; and

WHEREAS, pursuant to Government Code Section 66013(d), the City is required to make a report available to the public outlining fees collected in the prior fiscal year and provide certain information for each of the public facilities fees stating the amount collected, any interest earned, any expenditures made and other pertinent information; and

WHEREAS, a report has been prepared pursuant to the requirements of Section 66013(d) has been prepared, made available to the public starting on December 20, 2024, and presented to the City Council and the public on January 28, 2025.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby makes the following findings:

1. The Mitigation Fee Act (AB 1600) Report on Development Impact Fees for Fiscal Year Ending June 30, 2024, accurately depicts the revenues collected and expenditures incurred in FY2023-24 for all established development impact fees.
2. The fees collected for the Library, Parks and Recreation, Interchange, Street and Traffic, Police, Fire, Wastewater, Storm Drainage have been accurately detailed in the annual report prepared for FY2023-24.
3. Public Facilities Fees were collected to construct the projects and purchase equipment as identified in the 2008 Development Impact Mitigation Fee Feasibility/Nexus Study. The purposes for the collected fees are accurately identified in the attached annual report.
4. The City Council finds that there exists a reasonable relationship between the City's established Development Impact Fees and the projects defined in the 2008 Development Impact Mitigation Fee Feasibility/Nexus Study because (a) the property owners, residents, employees and other persons occupying and using the development projects that paid the fees will be served by and benefit from the facilities and equipment funded by the fees, (b) the fees and accumulated funds will assist the City in expanding its facilities and equipment as necessary to maintain an adequate level of service to accommodate new development, and (c) the fees offset and mitigate the impact to the facilities and equipment caused by new development.
5. The City Council finds that the City anticipates collecting additional development fee revenues in order to generate enough funds to construct, install and purchase the improvements and equipment described in the 2008 Development Impact Mitigation Fee Feasibility/Nexus Study. The amount and timing of the receipt of such additional

revenue depends upon new development, which is uncertain. Because of the recession beginning in 2008 that resulted in an economic downturn, there has been little development and construction in the City in recent years. Therefore, the City cannot determine the approximate date(s) on which additional development fee revenue will be received or the date(s) when the City will have enough funding to proceed with the planned construction and purchases.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council on this 28th day of January 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTESTED:

Evan Hutson, Mayor

Karleen Price, City Clerk



Date: January 28, 2025

To: Honorable Mayor and Councilmembers

From: Marti Brown, City Manager
Joe Bettencourt, Community Development & Services Director

Subject: Council Liaison to the Planning Commission

Recommendation:

Establish Council Liaison to the Planning Commission and reaffirm appointment of Councilmember Lorri Pride.

Rationale for Recommendation:

On numerous occasions, the Planning Commission has had concerns and questions regarding their duties, how those duties relate to the roles and responsibilities of the Council, and how the Planning Commission relates to and works with the City Council. This recommended appointment and role is intended to improve the working relationships between the Planning Commission and Council.

Background:

On December 17, 2024, the Council appointed Councilmembers to serve on various Boards and Commissions. At that time, there was discussion regarding the opportunity to appoint a Council Liaison to the Planning Commission. The Councilmembers voted to approve establishing a Council Liaison to the Planning Commission and appointed Lorri Pride. However, due to procedural requirements, City Manager Marti Brown indicated that the item would need to be brought before the Council in a future meeting as a Consent item to formally establish the Planning Commission Liaison position.

Discussion & Analysis:

The liaison role is designed to enhance communication between the Council and the Planning Commission. As these two bodies work on policies and projects that directly affect the city's growth, a direct line of communication helps ensure that both parties are informed and aligned. Instead of Councilmembers individually addressing concerns or seeking information from the Planning Commission, the liaison can serve as the point of contact, ensuring that issues are presented clearly and efficiently. The Planning Commission Liaison will be the Commissions point of contact to help resolve concerns and answer questions regarding the

Council's stated priorities and goals, as well as act as a conduit to the rest of the Council for regular updates on Planning Commission activities and areas requiring clarification.

Fiscal Impact:

There is no fiscal impact.



PUBLIC HEARING



Date: January 28, 2025
To: Honorable Mayor and Councilmembers
From: Nathan Monck, Fire Chief
Marti Brown, City Manager
Subject: Summary Abatement of 335 North Shasta Street

Recommendation:

Adopt Resolution XX-2025, confirming the costs of emergency summary abatement in the amount of \$15,586.50 and declaring the expenses a lien on the property if not paid in full by January 24, 2025.

Rationale for Recommendation:

An emergency summary abatement at 335 North Shasta Street was required due to hazardous conditions and public health and safety concerns at the property resulting from neglect and failure to adequately maintain it.

Background:

On May 8, 2024, at 10:02 pm, the Willows Fire Department was dispatched to an incident with a fallen tree into the roof of a residence. Arriving engine companies found a hackberry tree, approximately 60' x 40," that had fallen into and onto the residence at 335 North Shasta Street. The tree had also fallen onto the sidewalk and street in the public right of way. In addition, the tree seemed poised to potentially fall on the adjacent structure immediately to the south. Fire units used saws to cut downed limbs and remove them from the street; however, they were unable to remove the tree from the sidewalk due to safety concerns. Willows Fire Department contacted Willows Public Works to respond to the scene with barriers. Willows Public Works was also unable to mitigate the hazard due to the tree size, complexity of the project, and low staffing levels.

After consultation with City Manager Brown, City Attorney Walker, and Building Official Paxton, it was determined that immediate action was required to mitigate the clear threat to life and property present at the location. In addition, the threat also presented potential liability to the

City of Willows due to the City's open code enforcement case and recorded previous 'red tag' on the property.

As a result of the decision to immediately abate the property, the Fire Chief secured a local arborist, Lalos Tree Service, to abate the hazard. The contractor abated the property for a total of \$10,800.

Discussion & Analysis:

Mr. Bronner was invoiced promptly at the conclusion of the enforcement action. To date, the department has not had any contact with Mr. Bronner. On December 16, certified mail was sent to 335 North Shasta and 336 East Sycamore Streets. A copy of the notice and invoice was also posted at the property. Mr. Bronner did not request a public hearing to protest. Mr. Bronner was re-noticed on January 13, 2025.

Consistency with Council Priorities and Goals:

This recommendation is consistent with Council Priority #1, Financial Stability, and Priority #3, Public Safety.

Fiscal Impact:

The staff recommendation will recover the \$15,586.50 of emergency staff time spent to abate the project and reduce the financial burden on the General Fund.

Attachments:

- Attachment 1: Resolution XX-2025
- Attachment 2: Photos of Property before Summary Abatement



**City of Willows
Resolution xx-2025**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLOWS CONFIRMING THE COST OF
ABATEMENT FOR EMERGENCY SUMMARY ABATEMENT AT 335 N SHASTA STREET AND DECLARING
SUCH COST AS A SPECIAL ASSESSMENT**

WHEREAS, the primary function of local government is the provision of public safety; and

WHEREAS, the residence located at 335 N Shasta Street, Willows, CA 95988 (APN 002-141-006), owned by Mr. William Bronner, was condemned on December 19, 2023, by Wyatt Paxton, Building Official, on behalf of the City of Willows due to immediate health, life, and safety hazards; and

WHEREAS, on May 8, 2024, a large tree originating from the aforementioned property fell into the public right-of-way and onto the residential structure at 335 N Shasta Street, threatening to fall onto an adjacent occupied residential structure; and

WHEREAS, these conditions posed an immediate risk to life, safety, quality of life, and well-being for the citizens of the City of Willows, necessitating immediate summary abatement; and

WHEREAS, the City of Willows was compelled to contract with a qualified third-party vendor to perform the emergency abatement due to the scope, size, and complexity of the required mitigation efforts, representing a significant use of public resources and financial burden; and

WHEREAS, these abatement issues were the result of negligence and willful refusal to maintain the property in a safe and acceptable condition by the property owner; and

WHEREAS, the required notices as set forth in Sections 39500 through 39588 of the California Government Code have been duly sent as required by law;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Willows does hereby confirm the cost of abatement for the emergency summary abatement at 335 N Shasta Street, Willows, CA (APN 002-141-006), in the amount of \$15,586.50 and declares this cost a lien against the property, effective January 24, 2025.

PASSED AND ADOPTED by the City Council of the City of Willows this 28th day of January 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Evan Hutson, Mayor

ATTESTED:

Karleen Price, City Clerk

Photos of Property before Summary Abatement













DISCUSSION & ACTION CALENDAR



Date: January 28, 2025
To: Honorable Mayor and Councilmembers
From: Karleen Price, City Clerk
Marti Brown, City Manager
Subject: Planning Commission Vacancy and Appointment Process

Recommendation:

Direct staff to initiate an open call of applications to appoint one new Commissioner to the Planning Commission and appoint two Councilmembers to serve on a Planning Commissioner Appointment Ad Hoc Committee to interview and recommend appointment to the full Council.

Rationale for Recommendation:

Former Planning Commissioner Holly Myers recently resigned her position on the Planning Commission creating a vacancy.

Background:

On December 31, 2025, former Planning Commissioner Holly Myers notified the City of her resignation effective immediately. Her term on the Planning Commission was expected to run through December 31, 2027.

Discussion & Analysis:

In order to fill the position on the Planning Commission by the March 4, 2025, Planning Commission Meeting, staff recommends the following appointment process schedule:

- January 28, 2025 – Selection of two Council members to serve on a Planning Commissioner Appointment Ad Hoc Committee to review applications and conduct interviews.
- January 31, 2025 - Provide notice of the upcoming Planning Commission vacancy to the local news media and post on City Website.
- February 3, 2025, through 4:00 p.m. on February 14, 2025– Accept letters of interest and/or applications.

- February 10, 2025 through February 19, 2025 – Review of applications and interview of Candidates by the Selection Committee.
- February 25, 2025 – Council to appoint new Planning Commissioner.

Fiscal Impact:

There is no fiscal impact.

Attachments:

- Attachment #1: City of Willows Planning Commission Vacancy Publication
- Attachment #2: City of Willows Planning Commission Vacancy Application

CITY OF WILLOWS PLANNING COMMISSION VACANCY

The City of Willows is currently accepting applications for a vacant seat on the Willows Planning Commission. The term will be for the remaining term of the former Planning Commissioner. This term will run from March 2025, through December 31, 2027. Applications are available at the City Clerk's office of the Civic Center, 201 North Lassen Street, Willows, or by visiting the City's website at www.cityofwillows.org. Applications will be accepted until February 14, 2025, at 4:00 PM. For questions, please call 934-7041 ext. 111 or email the City Clerk, Karleen Price at kprice@cityofwillows.org. The City of Willows is an Equal Opportunity Provider.

/s/ Karleen Price
City Clerk

Publication dates: January 31 and February 7, 2025



City of Willows

Application for Appointment to the Planning Commission

201 North Lassen Street
Willows, CA 95988
(530) 934-7041

One seat on the Willows Planning Commission will become open February 3, 2025. In accordance with the Willows City Code, appointments to the Planning Commission are made by the Mayor with the approval of the City Council. The appointment will be for the remaining term of former Planning Commissioner and will be for the time period of March 2025 through December 31, 2027.

Letters of interest and/or applications will be accepted until February 14, 2025, at 4:00 p.m. The City Clerk must have physically received applications for consideration.

It is anticipated that all applications will be reviewed, and an appointment will be made by the City Council at the following Regular meeting.

QUALIFICATIONS: To be considered eligible, an applicant must live within the incorporated area of the City of Willows and be a registered voter (elector) at the time of nomination. Individuals appointed to the Planning Commission are required to attend all regular and special meetings of the Commission. Regular meetings generally occur on the third Wednesday of each month. Individuals appointed to the Planning Commission are required to complete and file a Statement of Economic Interests Form with the Fair Political Practices Commission and also required to complete the AB 1234 course (Ethics Training) approved by the Attorney General and FPPC.

EXCEPTION: When the City finds it in the best interest of the City, the City Council may, by a vote of three-fifths majority, waive the residency qualification and appoint one individual to the Commission who is a registered voter of the County, residing within the City's sphere of influence.

The City of Willows in an Equal Opportunity Provider



City of Willows

Application for Appointment to the Planning Commission

201 North Lassen Street
Willows, CA 95988
(530) 934-7041

THIS DOCUMENT IS PUBLIC RECORD

Name:

Residence Address:

Mailing Address:

E-Mail Address:

Home Phone: _____ Business Phone:

* Are you a registered voter? _____

Please list all prior experience on City or local service commissions, committees, boards, clubs, etc.:

Please provide a statement as to why you wish to serve on the Planning Commission of the City of Willows at this time:

_____.

Applicant Signature_____

THIS BOX IS FOR CITY CLERK USE ONLY
Date: _____
Time: _____
Signature: _____



Date: January 28, 2025

To: Honorable Mayor and Councilmembers

From: Joe Bettencourt, Community Development & Services Director
Marti Brown, City Manager

Subject: Solar Power Purchase Agreement – Civic Center and Firehouse

Recommendation:

Authorize the City Manager to execute a Power Purchase Agreement with RP Willows Solar 2, LLC (Attachment 1) and RP Willows Solar 3, LLC (Attachment 2) for the installation of a roof mounted solar system at the Willows Civic Center and the Willows Firehouse and; authorize the City Manager to execute a Side Letter (Attachment 3) with Trinary Energy for financial reimbursement of the roof replacement at the Willows Civic Center.

Rationale for Recommendation:

The Civic Center and the Willows Firehouse purchase 100% of their electrical needs from PG&E. Purchasing energy at a discounted rate will result in savings within the general fund. The purchase, installation, maintenance and removal of the solar systems bears no cost to the City.

Background:

At the December 19, 2023, City Council meeting, the City Manager was authorized to sign a Letter of Intent (LOI) with Trinary Capital (Attachment 4). The LOI was executed, which solidified the ongoing working relationship with Trinary to finalize the solar project for the Wastewater Treatment Plant (WWTP), Civic Center and Firehouse.

On April 23, 2024, the City Council authorized the City Manager to execute a PPA for the Wastewater Treatment Plant. The PPA for the WWTP is currently in the design phase and moving toward construction. Staff continued to work with Trinary to develop PPAs for the Civic Center and Fire Station. A legal review of the PPA was performed by Prentice Long and requested changes were sent to Trinary Energy for review by their legal team. An agreement by both parties on the PPA and side letter language was made in December of 2024.

Discussion & Analysis:

Trinary Energy was able to complete the interconnection application for the Civic Center and Firehouse in time to be eligible for NEM 2.0. In NEM 2.0 Solar customers are compensated for exported energy at the full retail rate, this results in higher payback for surplus energy sent to the grid. NEM 2.0 is more financially advantageous due to higher export compensation, faster ROI, and greater long-term savings.

In contrast, NEM 3.0 shifts benefits away from grid-exported solar energy, emphasizing self-consumption and battery use, which increases the upfront costs and reduces financial returns.

Consistency with Council Priorities and Goals:

Reducing electrical costs aligns with Priority #1 Financial Stability, Goal 3: Add to the city's general fund reserve, Item 2: Implement cost-saving measures across departments to free up additional funds.

Fiscal Impact:

Solar array systems installed on the Civic Center and Firehouse will result in General Fund savings. The cost per kWh in the first year that the solar panels and PPA are operational will be \$.18 per kWh. In contrast, the PG&E rate for the Firehouse was \$.39 during off-peak hours and \$.65 during peak hours in the summer of 2024.

Comparison of cost based on July 2024 data at the Firehouse:

1. PG&E- Peak Usage was 1,569 kWh @ \$.65 per kWh and Off-Peak usage was 4,295 kWh @ \$.39 per kWh for a monthly total of 5,864 kWh at a cost of \$2,695. (Attachment 5)
2. Trinary- A monthly total usage of 5,864 kWh @ \$.18 per kWh is a monthly cost of \$1,056. This is a savings of \$1,639 compared to PG&E rates.

Attachments:

- Attachment 1: Civic Center Power Purchase Agreement
- Attachment 2: Firehouse Power Purchase Agreement
- Attachment 3: Civic Center Roof - Side Letter
- Attachment 4: Letter of Intent
- Attachment 5: Firehouse PG&E Statement

Solar Power Purchase Agreement

This Solar Power Purchase Agreement (this “**Agreement**”) is entered into by the parties listed below (each a “**Party**” and collectively the “**Parties**”) as of the date signed by Seller below (the “**Effective Date**”).

Purchaser:		Seller:	
Name and Address	City of Willows-Civic Center 201 North Lassen Street Willows, CA 95988 Attention: Marti Brown	Name and Address	RP Willows Solar 2, LLC 423 W. 55th Street – 7th Floor New York, New York 10019 Attention: John Bates
Phone	(530) 934-7041	Phone	N/A
Fax	None	Fax	N/A
E-mail	mbrown@cityofwillows.org	E-mail	legal@radialpower.com
Premises Ownership	Purchaser [x] owns [Click or tap here to enter text.] leases the Premises.	Additional Seller Information	
Tax Status	Government entity		
Project Name	[RP Willows Solar 2]		

This Agreement sets forth the terms and conditions of the purchase and sale of solar generated electricity from the solar panel system described in **Exhibit 2** (the “**System**”) and installed on the real property comprising Purchaser’s premises described or depicted in Schedule A to **Exhibit 2** (the “**Premises**”), including any buildings and other improvements on the Premises other than the System (the “**Improvements**”). Concurrently with the execution of this Agreement, Purchaser and Seller are entering into that certain site license agreement (the “**Site License**”) with respect to the System and the Premises. This Agreement, including any applicable exhibits or amendments hereto, shall constitute a single agreement between the Parties.

The exhibits listed below are incorporated by reference and made part of this Agreement.

<u>Exhibit 1</u>	Pricing
<u>Exhibit 2</u>	System Description, Delivery Point and Premises
<u>Exhibit 3</u>	General Terms and Conditions

Purchaser: City of Willows

Seller: RP Willows Solar 2, LLC

Signature: _____
 Printed Name: M a r t i B r o w n _____
 Title: C i t y M a n a g e r _____
 Date: _____

Signature: _____
 Printed Name: J o h n B a t e s _____
 Title: C E O _____
 Date: _____

Exhibit 1

Pricing

1. **Initial Term:** Twenty-five (25) years, beginning on the Commercial Operation Date (the “**Initial Term**”).
2. **Additional Terms:** Up to two (2) terms of five (5) years each beginning on the expiration of the Initial Term or on the expiration of any Additional Term (each an “**Additional Term**”).

3. **Contract Price:**

Contract Year	\$/kWh
1	0.180
2	0.185
3	0.191
4	0.197
5	0.203
6	0.209
7	0.215
8	0.221
9	0.228
10	0.235
11	0.242
12	0.249
13	0.256
14	0.264
15	0.272
16	0.280
17	0.288
18	0.297
19	0.306
20	0.315
21	0.324
22	0.334
23	0.344
24	0.354
25	0.365

The first “Contract Year” shall commence on the Commercial Operation Date, and each subsequent Contract Year shall commence on the anniversary of the Commercial Operation Date.

4. **Contract Price Assumptions.** The Contract Price is based on the following assumptions:
 - a. A payment or performance bond is not being issued to Purchaser under this Agreement.
 - b. Interconnection costs for the System to be connected to the Utility distribution system, including but not limited to fees associated with system upgrades, will not exceed \$0.00 in the aggregate.
 - c. Statutory prevailing wage rates (e.g., Davis-Bacon) do not apply.
 - d. [Intentionally Deleted.]
 - e. All prices in this Agreement are calculated based on an upfront rebate of \$0.
 - f. The Contract Price is inclusive of Seller’s Taxes (as defined in Section 3(d) of **Exhibit 3**) at the rates in effect as of the Effective Date (to the extent that such rates are known or knowable by Seller on the Effective Date).
5. **Contract Price Exclusions.** Unless Seller and Purchaser have agreed otherwise in writing, and except as otherwise provided in Section 2(c) of Exhibit 3, the Contract Price excludes the following:

- a. Unforeseen groundwork (including excavation and circumvention of underground obstacles). Upgrades or repair to customer or utility electrical infrastructure (including: client or utility service, transformers, substations, poles, breakers, reclosers, and disconnects).
- b. Snow removal, tree removal, tree trimming, mowing and any landscape improvements.
- c. Decorative fencing and/or any visual screening materials, decorative enhancements to solar support structures (including: painting, paint matching, masonry/stone work, and any lighting not required to meet the minimum code compliance).
- d. Removal of existing lighting, light poles, or concrete light post bases.
- e. Roof membrane maintenance or reroofing work.
- f. Structural upgrades to the Improvements, including ADA upgrades.
- g. Installation of public information screen or kiosk (including accompanying internet connection, power supply, technical support and ADA access).
- h. Changes in System design caused by any inaccuracy or ambiguity in information provided by Purchaser, including information regarding Purchaser's energy use, the Premises and the Improvements, including building plans and specifications.

6. Environmental Attributes: Accrue to Seller

7. Termination Payment Schedule (Exhibit 3, Section 11(b)):

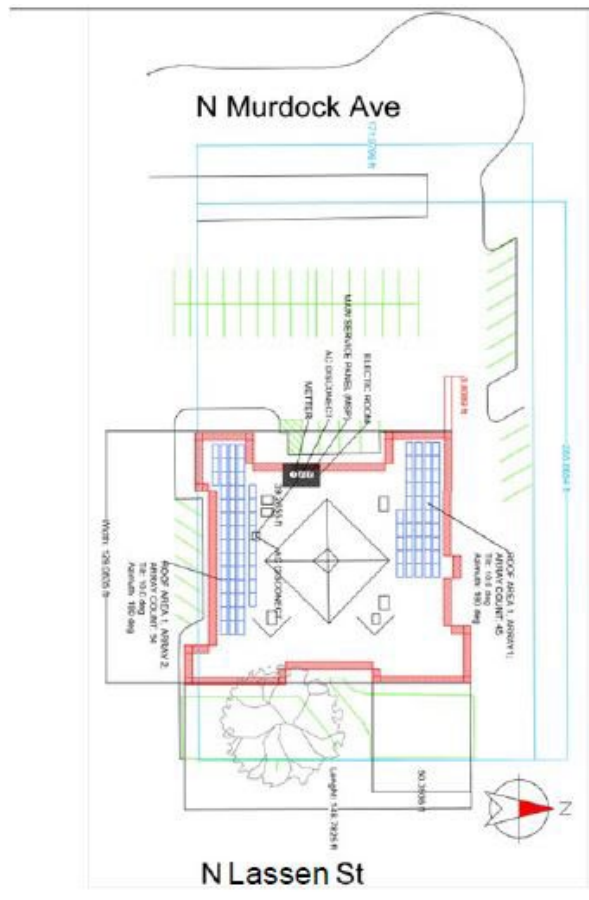
Contract Year	Termination Payment (\$)
1	215,870
2	215,735
3	215,276
4	214,383
5	213,056
6	210,404
7	207,385
8	203,893
9	199,997
10	195,393
11	190,056
12	183,853
13	176,894
14	169,045
15	160,339
16	150,650
17	139,779
18	127,633
19	114,366
20	99,615
21	83,283
22	65,249
23	45,389
24	23,546
25	21,050

Exhibit 2

System Description, Delivery Point and Premises

1. System Location: 201 North Lassen Street, Willows, CA 95988
2. System Size (DC kW): 46.75
3. System Description (Expected Structure, Etc.): Roof mounted Photovoltaic
4. **Delivery Point and Premises:** Schedule A to this **Exhibit 2** contains one or more drawings or images depicting:
 - a. Premises, including the Improvements (as applicable);
 - b. Proposed System location;
 - c. Delivery point for electricity generated by the **System** (the “**Delivery Point**”);
 - d. Access points needed for Seller to install and service the System (building access, electrical room, stairs etc.); and
 - e. Construction assumptions (if any).
 - f. Utility:

Schedule A¹



¹ The Parties acknowledge that Schedule A shall be subject to further revision, as approved by Purchaser, to reflect the System set forth on Section 2 of **Exhibit 2** and the final System design, as approved by Purchaser pursuant to Section 6(b) of **Exhibit 3**.

Exhibit 3: Table of Contents

	Page
1. Purchase and Sale of Electricity	1
2. Term and Termination	1
3. Billing and Payment; Taxes.....	1
4. RECs and Incentives	2
5. Project Completion	2
6. Installation, Operation and Maintenance	3
7. Miscellaneous Rights and Obligations of the Parties.....	4
8. Relocation of System.....	5
9. Removal of System upon Termination or Expiration	5
10. Measurement	6
11. Default, Remedies and Damages.....	6
12. Representations and Warranties	7
13. Insurance	9
14. Ownership;.....	9
15. Indemnification and Limitations of Liability.....	10
16. Change in Law	12
17. Assignment and Financing.	12
18. Confidentiality	13
19. General Provisions.....	14

Exhibit 3

General Terms and Conditions

1. **Purchase and Sale of Electricity.** Purchaser shall purchase from Seller, and Seller shall sell to Purchaser, all of the electricity generated by the System during the Term (as defined in Section 2(a)). Electricity generated by the System shall be delivered to Purchaser at the Delivery Point. Title to and risk of loss for the electricity generated by the System passes to Purchaser from Seller at the Delivery Point. Purchaser may purchase electricity for the Premises from other sources to the extent Purchaser's electricity consumption requirements at the Premises exceed the output of the System.
2. **Term and Termination.**
 - a. **Effective Date; Term.** This Agreement is effective as of the Effective Date. The electricity supply period under this Agreement commences on the Commercial Operation Date (as defined in Section 6) and continues for the duration of the Initial Term and any Additional Terms, unless earlier terminated as provided for in this Agreement (collectively, the "Term").
 - b. **Additional Terms.** The Parties may agree in writing to extend this Agreement for one or more Additional Term(s). If Purchaser desires to extend this Agreement on the terms and conditions set forth herein, Purchaser shall notify Seller in writing at least one hundred eighty (180) days prior to the expiration of the Initial Term or the Additional Term (as applicable). The Parties shall mutually agree upon a Contract Price that is based upon the then fair market value of electricity.
 - c. **Termination Due to Contract Price Adjustments or Lack of Project Viability.** If, at any time after the Effective Date and prior to Commencement of Installation (as defined in Section 5), (i) circumstances arise which have been excluded from Contract Price calculations pursuant to Section 5 of Exhibit 1, or Seller determines that the installation of the System will not be technically or economically viable for any other reason, and (ii) the Parties have negotiated a Contract Price adjustment for thirty (30) days following written notice from Seller without reaching agreement, either Party may terminate this Agreement by providing ten (10) days' prior written notice to the other Party. Neither Party shall be liable for any damages in connection with such termination. After Commencement of Installation, the Contract Price shall not be subject to further adjustment pursuant to Section 5 of Exhibit 1 or otherwise.
 - d. **Termination by Purchaser for Delay.** If Commencement of Installation has not occurred 360 days after the Effective Date, Purchaser may terminate this Agreement by providing thirty (30) days' prior written notice to Seller; provided that this Agreement will not terminate pursuant to this Section 2(d) if Seller achieves Commencement of Installation on or before the end of such thirty (30) day notice period. Purchaser shall not be liable for any damages in connection with such termination.
3. **Billing and Payment; Taxes.**
 - a. **Monthly Charges.** Purchaser shall pay Seller monthly for the electricity generated by the System and delivered to the Delivery Point at the \$/kWh rate for the applicable Contract Year shown in **Exhibit 1** (the "Contract Price"). The monthly payment for such energy will be equal to the applicable \$/kWh rate multiplied by the number of kWh of electricity generated during the applicable month, as measured by the Meter (as defined in Section 11). Additional costs for items differing from the assumptions in **Exhibit 1**, Item 4 are Purchaser's responsibility.
 - b. **Monthly Invoices.** Seller shall invoice Purchaser monthly. Such monthly invoices shall state (i) the amount of electricity produced by the System and delivered to the Delivery Point, (ii) the rates applicable to, and charges incurred by, Purchaser under this Agreement and (iii) the total amount due from Purchaser.
 - c. **Payment Terms.** All amounts due under this Agreement are due and payable net thirty (30) days following receipt of invoice. Any undisputed portion of the invoice amount not paid within such thirty (30) day period shall accrue interest at the annual rate of two and one-half percent (2.5%) above the Prime Rate (but not to exceed the maximum rate permitted by law). All payments shall be made in U.S. dollars.
 - d. **Production Guarantee.** During the Term, Seller will, within one month following each anniversary of the Commercial Operation Date, prepare and send to Purchaser an annual statement detailing the kWh of electric energy produced by the Solar Facility during the last 36 months. If in any 3 year period (measured from Commercial Operation Date) the Solar Facility has produced less than 80% of the Estimated Solar Energy Output (as defined below), as reduced by the

degradation factor set forth in the cover page hereto (the “**Degradation Factor**”), (other than due to a Force Majeure Event), Seller will pay Purchaser a true-up payment equal to the number of kWh by which the actual output of the Solar Facility was less than 80% of the Estimated Solar Energy Output, as reduced by the Degradation Factor, multiplied by Price/kWh. For purposes of this Agreement, “**Estimated Solar Energy Output**” shall refer to the estimated solar energy output for the applicable year as mutually agreed upon by both parties prior to the Commercial Operation Date.

e. **Taxes.**

- i. **Purchaser’s Taxes.** Purchaser is responsible for: (1) payment of, or reimbursement of Seller, for all taxes assessed on the sale, delivery or consumption of electricity produced by the System or the interconnection of the System to the utility’s electricity distribution system; and (2) real property taxes.
- ii. **Seller’s Taxes.** Seller is responsible for payment of income taxes or similar taxes imposed on Seller’s revenues due to the sale of electricity under this Agreement (“**Seller’s Taxes**”). Purchaser and Seller shall each be responsible, respectively, for paying taxes, levies, assessments and other charges imposed, including franchise and similar taxes, on the business conducted by Purchaser or Seller, as applicable, at the Premises. Nothing in this Section shall be construed as making Seller liable for any portion of Purchaser’s income taxes in connection with the Premises or otherwise.

4. **RECs and Incentives.** As the owner of the System, Seller is entitled to the benefit of, and will retain all ownership interests in the RECs and Incentives. Purchaser shall cooperate with Seller in obtaining, securing and transferring any and all RECs and Incentives. Purchaser is not obligated to incur any out-of-pocket costs or expenses in connection with such actions unless reimbursed by Seller. Purchaser shall not make any filing or statements inconsistent with Seller’s ownership interests in the RECs and Incentives. If any RECs or Incentives are paid or delivered directly to Purchaser, Purchaser shall immediately pay or deliver such items or amounts to Seller.

“**Governmental Authority**” means any foreign, federal, state, local or other governmental, regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, court, tribunal, arbitrating body or other governmental authority having jurisdiction or effective control over a Party.

“**Incentives**” means (i) a payment paid by a utility or state or local Governmental Authority based in whole or in part on the cost or size of the System such as a rebate, (ii) a performance-based incentive paid as a stream of periodic payments by a utility, state or Governmental Authority based on the production of the System, (iii) investment tax credits, production tax credits, and similar tax credits, grants or other tax benefits under federal, state or local law, and (iv) any other attributes, commodity, revenue stream or payment in connection with the System (such as ancillary or capacity revenue), in each case of (i) through (iv) relating to the construction, ownership, use or production of energy from the System, provided that Incentives shall not include RECs.

“**Environmental Attributes**” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the System, the production of electrical energy from the System and its displacement of conventional energy generation, including (a) any avoided emissions of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (b) any avoided emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere; and (c) the reporting rights to any Governmental Authority related to these avoided emissions, such as Green Tag Reporting Rights and RECs. Green Tag Reporting Rights are the right of a party to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party, and include Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Environmental Attributes do not include Tax Incentives. Purchaser and Seller shall file all tax returns in a manner consistent with this [Section 4](#). Without limiting the generality of the foregoing, Environmental Attributes include carbon trading credits, renewable energy credits or certificates, emissions reduction credits, investment credits, emissions allowances, green tags, tradeable renewable credits and Green-e® products.

“**REC**” means a renewable energy credit or certificate under any state renewable portfolio, standard or federal renewable energy standard, voluntary renewable energy credit certified by a non-governmental organization, pollution allowance, carbon credit and any similar environmental allowance or credit and green tag or other reporting right under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program, in each case relating to the construction, ownership, use or production of energy from the System, provided that RECs shall not include Incentives.

5. Project Completion.

- a. **Conditions to Obligations.** Seller's obligation to install the System and sell electric energy generated by the System to Purchaser are conditioned on the completion of the following conditions to Seller's satisfaction on or before 180 days from the Effective Date:
- i. Seller shall have completed a physical inspection of the Premises including, if applicable, structural engineering and or geotechnical reviews as necessary to confirm the suitability of the Premises for the System;
 - ii. If subsurface excavation is necessary for the System, Seller shall have completed environmental due diligence with respect to the applicable site;
 - iii. Seller shall have received the Site License and any additional documents required thereunder (such documents together with the Site License, the "Real Property Documents") duly executed and delivered by Purchaser and any applicable third parties;
 - iv. Seller shall have received results, satisfactory to Seller, of a recent search of Purchaser's jurisdiction of all effective UCC fixture and real property filings that have been made with respect to the Facility;
 - v. Seller shall have confirmed that Seller will qualify for all applicable incentives and Tax Incentives;
 - vi. Seller shall have obtained all necessary zoning, land use, environmental, building and other permits from the applicable Governmental Authority necessary for Seller to perform its obligations under this Agreement;
 - vii. Seller shall have executed all necessary agreements with the Utility for interconnection of the System to the Facility electrical system and/or the Utility's electric distribution system;
 - viii. Seller shall have obtained such other information or completed such other matters as are reasonably consistent with Good Solar Industry Practices prior to mobilizing for construction of the System; and
 - ix. Seller shall have received:
 - (1) Purchaser's approval, in accordance with Section 6(b), of the System design and of material changes, if any, to the System design specifications set forth on Exhibit 2 (notwithstanding, government approvals of the System shall be required to go through the approval process pursuant to local laws and regulations);
 - (2) Proof of insurance for all insurance required to be maintained by Purchaser under this Agreement; and
 - (3) Written confirmation from any person holding a mortgage, lien or other encumbrance over the Premises, or any portion thereof, that such person will recognize Seller's rights to the System and under this Agreement.
- b. **Failure of Conditions.** If any of the conditions listed in subsection (a.i through a.ix) above are not satisfied by the 180th day after the Effective Date (the "Final Installation Commencement Date"), the Parties shall attempt in good faith to negotiate new dates for the satisfaction of the failed conditions, or, if the Parties are unable to negotiate such new dates within thirty (30) days of the Final Installation Commencement Date, either Party may terminate this Agreement upon ten (10) days written notice to the other Party and without any liability for such for such termination. Seller has the right but, not the obligation, to terminate if the Purchaser fails to provide the documents in subsection a.ix.1-3 by the Final Installation Commencement Date and Purchaser shall pay direct costs incurred by the Seller.
- c. **Project Development.** Seller shall diligently pursue the development and installation of the System, subject to Section 2(c), Section 11 and the remaining provisions of this Section 5.
- d. **Permits and Approvals.** Seller shall use commercially reasonable efforts to obtain the following at its sole cost and expense (each an "Approval"):
- i. any zoning, land use and building permits required for Seller to construct, install and operate the System; and
 - ii. any agreements and approvals from the Utility necessary in order to interconnect the System to the Utility's electric distribution system.

Purchaser shall cooperate with Seller's reasonable requests to assist Seller in obtaining such Approvals, including, without limitation the execution of documents required to be provided by Purchaser to the local Utility. Purchaser shall cooperate with Seller's reasonable requests to assist Seller in obtaining such Approvals, including, without limitation the execution of documents required to be provided by Purchaser to the local utility; provided further, if applicable law requires Purchaser to be the recipient of or party to any such Approvals, Purchaser shall use commercially reasonable efforts to apply for and obtain, or enter into, such Approvals in the name of Purchaser, subject to Seller's reimbursement of third-party costs and expenses reasonably incurred

by Purchaser in connection therewith, and Purchaser and Seller shall take such actions as are necessary for the rights and benefits of any such Approval to be exercisable and realized by Seller and the System. Such Approvals shall not include approvals for which Purchaser is the approving entity.

e. **Commencement of Installation.** Seller shall exercise commercially reasonable efforts to achieve Commencement of Installation of the System within 360 days after the Effective Date. “**Commencement of Installation**” means the date that Seller or its installation contractor has begun physical installation of the System on the Premises.

f. **Force Majeure.**

i. **Force Majeure Event.** If either Party is unable to timely perform any of its obligations (other than payment obligations) under this Agreement in whole or in part due to a Force Majeure Event, that Party will be excused from performing such obligations for the duration of the time that such Party remains affected by the Force Majeure Event; provided, that such Party uses commercially reasonable efforts to mitigate the impact of the Force Majeure Event and resumes performance of its affected obligations as soon as reasonably practical. The Party affected by the Force Majeure Event shall notify the other Party as soon as reasonably practical after the affected Party becomes aware that it is or will be affected by a Force Majeure Event. If the Force Majeure Event occurs during the Term and impacts the ability of the System to deliver electricity to the Delivery Point, the Term will be extended day for day for each day delivery is suspended due to the Force Majeure Event.

ii. **Extended Force Majeure.** If a Force Majeure Event notified by either Party under paragraph (i) above continues for a consecutive period of one hundred eighty (180) days or more within a twelve (12) month period, then either Party may terminate this Agreement without either Party having further liability under this Agreement except: (a) liabilities accrued prior to termination, (b) Seller shall remove the System as required under Section 9 (but Purchaser shall reimburse Seller for Seller’s removal costs if the Force Majeure Event affects Purchaser and Purchaser elects to terminate the Agreement) and (b) if Purchaser elects to terminate the Agreement in accordance with this Section, Purchaser shall pay the applicable Termination Payment. Notwithstanding the foregoing, in the case of a Force Majeure Event where Seller is the claiming Party, if the Force Majeure Event can be corrected through repair or restoration of the System or other actions by Seller and, prior to expiration of the initial one hundred eighty (180)-day period, Seller provides written evidence to Purchaser that it is diligently pursuing such actions, then Purchaser shall not have the right to terminate this Agreement so long as Seller continues to diligently pursue such actions.

iii. **“Force Majeure Event”** means any event or circumstance beyond the reasonable control of and without the fault or negligence of a Party, including, without limitation, failure or interruption of the production, delivery or acceptance of electricity due to: an act of god; war (declared or undeclared); sabotage; piracy; riot; insurrection; widespread civil unrest or disturbance; military or guerilla action; terrorism; economic sanction or embargo; widespread civil strike, work stoppage, or lock-out; explosion; fire; earthquake; hurricane; flood; lightning; the binding order of any Governmental Authority; the failure to act on the part of any Governmental Authority (including, without limitation delays in permitting not caused by actions or omissions of the Party seeking such permit); unavailability of electricity from the utility grid; transportation and shipping delays (including port congestion) associated with module procurement due to tariff restrictions or other actions or inactions of any Governmental Authority; and failure or unavailability of equipment, supplies or products outside of Seller’s control or due to a Force Majeure Event.

g. **Extension of Time.** If Seller is delayed in achieving Commencement of Installation due to a Force Majeure Event, the time for achievement of Commencement of Installation will be automatically extended to account for the impact of the delay.

h. **Commercial Operation.** Seller shall notify Purchaser in writing when it has achieved Commercial Operation (the date of such notice, the “**Commercial Operation Date**”). “**Commercial Operation**” means that the System is mechanically complete, capable of providing electricity to the Delivery Point at the nameplate capacity specified in Exhibit 2 and has permission to operate from the relevant Governmental Authority. Seller shall provide Purchaser with documentation to evidence that the System is ready to begin Commercial Operation upon Purchaser’s reasonable request.

6. **Installation, Operation and Maintenance.**

- a. **Seller's General Obligations Regarding the System.** Subject to the terms and conditions of this Agreement, Seller shall design, engineer, install, commission, monitor, operate and maintain the System, in each case in a good and workmanlike manner and in accordance with applicable law and prudent solar industry practices in the state in which the Premises are located. The System shall comply with all applicable rules, regulation and local building codes. Seller shall design and engineer the System (i) taking into consideration Purchaser's historical electrical generation requirements, (ii) based on inspections of the Premises and studies undertaken by Seller, and (iii) in compliance with any laws and governmental approvals provided by Purchaser to Seller. Seller shall prepare and submit to Purchaser the draft final specifications for the System, including product data on all equipment proposed for installation no later than 30 business days following the Effective Date.
- b. **System Design Approval.**
- i. Seller shall provide Purchaser with a copy of the System design for approval prior to commencement of construction. Purchaser shall have ten (10) days after receipt to approve or disapprove the design. Failure by Purchaser to respond within such ten (10) day period shall be deemed approval of the design. If Purchaser disapproves the design, Seller shall modify the design and resubmit it for Purchaser's approval. If the System design modifications requested by Purchaser render the System non-viable, Seller may terminate this Agreement under Section 2(c) above. If solar energy panels and other System assets documented in Exhibit 2 (such panels and System assets, the "System Equipment") are not readily available when Seller installs the System, Seller may make substitutions of such System Equipment at Seller's sole discretion; provided Seller shall obtain Purchaser's prior consent for System Equipment substitutions that would materially affect the appearance or capacity of the System, or require a change to the Contract Price.
- ii. The description of the approved System design shall be incorporated into Exhibit 2 and Schedule A to Exhibit 2 shall be updated to reflect the final approved drawing depicting the Premises, Delivery Point, System design and location. Upon the completion of System installation, Seller shall provide Purchaser with "as-built" drawings setting forth in detail the location of all components of the System. Purchaser and Seller agree to treat such plans and specifications as well as the "as-built" drawings as Confidential Information of Seller, in accordance with Section 18(a).
- c. **System Repair and Maintenance.** Seller may suspend delivery of electricity from the System to the Delivery Point for the purpose of maintaining and repairing the System; provided that Seller shall use commercially reasonable efforts to (i) minimize any interruption in service to the Purchaser, and (ii) limit any such suspension of service to weekend or off-peak hours. Scheduled and unscheduled maintenance and repairs shall be undertaken at Seller's sole cost and expense, except that Purchaser shall reimburse Seller for the reasonable cost of any repairs or maintenance resulting from damage caused by Purchaser, its agents, employees or contractors.
- d. **Outages.** Upon Purchaser's written request, Seller shall take the System off-line for a total of forty-eight (48) daylight hours (as defined by the United States National Weather Service in the area where the System is located) during each Contract Year (each event an "Outage" and the forty-eight (48) hour period the "Outage Allowance"). The Outage Allowance includes all Outage hours undertaken by Seller for maintenance or repairs for which Purchaser is responsible pursuant to Section 6(c) or requested by Purchaser under this Section 6(d) (other than due to the fault or negligence of Seller). Purchaser's request shall be delivered at least forty-eight (48) hours in advance. Purchaser is not obligated to accept or pay for electricity from the System for Outages up to the annual Outage Allowance. If the aggregate hours for Outages exceed the Outage Allowance in a given Contract Year, Seller shall reasonably estimate the amount of electricity that would have been delivered to Purchaser during such excess Outages and Purchaser shall pay Seller for such amount in accordance with this Agreement.
- e. **Maintenance of Premises.** Purchaser shall, at its sole cost and expense, maintain the Premises and Improvements in good condition and repair. Purchaser, to the extent within its reasonable control, (i) shall ensure that the Premises remains interconnected to the local Utility grid at all times; and (ii) shall not permit cessation of electric service to the Premises from the local utility. Purchaser is fully responsible for, and shall properly maintain in full working order and good repair, the electrical infrastructure on the Purchaser's side of the Delivery Point, including all of Purchaser's equipment that utilizes the System's outputs. Purchaser shall use commercially reasonable efforts to cooperate with Seller to comply with any technical standard of the Utility providing electrical power to the Purchaser, and does not need to receive permission to operate from the Utility.
- f. **No Alteration of Premises.** Not less than thirty (30) days prior to making any alterations or repairs to the Premises (except for emergency repairs) or any Improvement which may adversely affect the operation and maintenance of the System, Purchaser shall inform Seller in writing and, thereafter, shall use commercially reasonable efforts to conduct such repairs, alterations or Improvements in compliance with any reasonable request made by Seller within ten (10) days after having received such written request to mitigate any adverse effect. If any repair, alteration or Improvement

result in a permanent and material adverse economic impact on the System, Purchaser may request relocation of the System under Section 8 hereof. To the extent that temporary disconnection or removal of the System is necessary to perform such alterations or repairs, Seller shall perform such work, and any re-connection or re-installation of the System, at Purchaser's cost, subject to Sections 6(c) and 6(d). Seller shall make any alterations and repairs in a good and workmanlike manner, in compliance with all applicable laws, codes and permits.

7. **Miscellaneous Rights and Obligations of the Parties.**

- a. Reserved.
- b. **OSHA Compliance.** Each Party shall comply with all Occupational Safety and Health Act (OSHA) requirements and other similar applicable safety laws and codes with respect to such Party's performance under this Agreement.
- c. **Safeguarding the Premises.** Purchaser shall maintain the physical security of the Premises and Improvements in a manner to be expected of a reasonable and prudent owner or lessee of premises and improvements similar to the Premises and Improvements in nature and location. Purchaser shall not conduct or permit activities on, in or about the Premises or the Improvements that have a reasonable likelihood of causing damage, impairment or otherwise adversely affecting the System. Purchaser shall indemnify Seller for any loss or damage to the System to the extent caused by or arising out of (i) Purchaser's breach of its obligations under this Section or (ii) the acts or omissions of Purchaser or its employees, agents, invitees or separate contractors.
- d. **Insolation.** Purchaser acknowledges that unobstructed access to sunlight ("Insolation") is essential to Seller's performance of its obligations and a material term of this Agreement. Purchaser shall not, to the extent within its reasonable control, cause or permit any interference with the System's Insolation, and shall ensure that vegetation on the Premises adjacent to the System is regularly pruned or otherwise maintained to prevent interference with the System's Insolation. If Purchaser discovers any activity or condition that could diminish the Insolation of the System, Purchaser shall immediately notify Seller and cooperate with Seller in preserving and restoring the System's Insolation levels as they existed on the Effective Date.
- e. **Use and Payment of Contractors and Subcontractors.** Seller shall use suitably qualified, experienced and licensed contractors and subcontractors to perform its obligations under this Agreement. However, Seller shall be responsible for the quality of the work performed by its contractors and subcontractors. Seller shall pay when due all valid charges from all contractors, subcontractors and suppliers supplying goods or services to Seller under this Agreement.
- f. **Liens.**
 - i. **Lien Obligations.** Purchaser shall not directly or indirectly cause, create, incur, assume or allow to exist any mortgage, pledge, lien, charge, security interest, encumbrance or other claim of any nature, except such encumbrances as may be required to allow Seller access to the Premises, (each a "Lien") on or with respect to the System. Seller shall not directly or indirectly cause, create, incur, assume or allow to exist any Lien on or with respect to the Premises or the Improvements, other than those Liens which Seller is permitted by law to place on the Premises due to non-payment by Purchaser of amounts due under this Agreement. Each Party shall immediately notify the other Party in writing of the existence of any such Lien following discovery of same, and shall promptly (and in all events within thirty (30) days) cause the same to be discharged and released of record without cost to the other Party; provided, however, that each indemnifying Party has the right to contest any such Lien, so long as it provides a statutory bond or other reasonable assurances of payment that either removes such Lien from title to the affected property, or that assures that any adverse judgment with respect to such Lien shall be paid without affecting title to such property.
 - ii. **Lien Indemnity.** Each Party shall indemnify the other Party from and against all claims, losses, damages, liabilities and expenses resulting from any Liens filed against such other Party's property as a result of the indemnifying Party's breach of its obligations under Section 7(f)(i).
- g. **Cooperation.** Purchaser shall (i) cooperate with Seller's reasonable requests for information and access to the Facility for purposes of designing, installing, and maintaining the System and (ii) cooperate with all of Seller's requests to assist Seller in obtaining any necessary agreements, permits and approvals pursuant to Section 5(d). Purchaser's failure to provide such cooperation shall be a default under this Agreement subject to Section 11(a)(ii).

- h. Maintenance of Facility.** Purchaser shall, at all times at Purchaser's sole cost and expense, maintain the Premises (including, without limitation, the applicable portions of the roof and raceways and risers of the Premises) in good condition and repair and in a manner sufficient to support the System. Regardless of whether maintenance and repairs are made in the ordinary course or in an emergency, all maintenance and repairs shall be carried out in a manner that minimizes the impact on the System. Purchaser is fully responsible for the maintenance and repair of the Premises' electrical system and of all of Purchaser's equipment that utilizes the System's outputs. Except in the event of a Seller caused outage including Seller's suspension of performance or any Purchaser outage that is within Purchaser's Outage Allowance, a failure of the Premises to accept energy produced by the System (whether due to a failure in Purchaser's electrical system, maintenance or otherwise) will not excuse Purchaser from paying Seller for the energy production of the System that, in Seller's reasonable estimation as provided below, would have been delivered to Purchaser from the operation of the System in the absence of a failure of the Premises to accept the energy produced and delivered by the System and compensating Seller for lost revenues or other benefits from Environmental Attributes and Tax Incentives from such energy, including any Environmental Attributes and Tax Incentives already claimed but subject to recapture (and any fees and penalties associated with such recapture) ("**Deemed Delivered Energy**"). Purchaser shall have a scheduled Outage Allowance in accordance with parameters set forth in Section 6(p) above. Seller's estimation of energy production for the purposes of determining the Deemed Delivered Energy will be based on (a) past energy output delivery by the System during a similar period and under similar conditions if such information is available or (b) if such information is not available, based upon any other relevant information or bases which may reasonably be available to Seller and used for such purpose in the circumstances and consistent with Good Solar Industry Practices. Purchaser shall promptly notify Seller of any condition at the Premises of which it is aware pertaining to any damage to or loss of use of the System or that could reasonably be expected to adversely affect the System.
- i. Breakdown Notice.** Purchaser shall notify Seller within twenty-four (24) hours following the discovery by Purchaser of (i) any material malfunction in the operation of the System; or (ii) any occurrences that could reasonably be expected to adversely affect the System. Purchaser shall notify Seller immediately upon (i) an interruption in the supply of electrical energy from the System; or (ii) the discovery of an emergency condition respecting the System. Purchaser and Seller shall each designate personnel and establish procedures such that each Party may provide notice of such conditions requiring Seller's repair or alteration at all times, twenty-four (24) hours per day, including weekends and holidays.

8. Relocation of System.

If, during the Term, Purchaser ceases to conduct business operations at the Premises or vacates the Premises; the Premises have been destroyed; or the Purchaser is otherwise unable to continue to host the System or accept the electricity delivered by the System for any other reason (other than a Default Event by Seller), Purchaser may propose in writing the relocation of the System, at Purchaser's cost, in lieu of termination of the Agreement by Seller for a Default Event by Purchaser. If such proposal is practically feasible and preserves the economic value of the agreement for Seller, the Parties shall seek to negotiate in good faith an agreement for the relocation of the System. If the Parties reach agreement on relocation of the System, Purchaser shall be obligated to provide (a) a new executed and notarized agreement covering the substitute premises in form and content substantially similar to the Site License, and (b) any new consents, estoppels, or acknowledgments reasonably required by Financing Parties in connection with the substitute premises. If the Parties are unable to reach agreement on relocation of the System within sixty (60) days after the date of receipt of Purchaser's proposal, Seller may terminate this Agreement pursuant to Section 11(b)(ii).

9. Removal of System upon Termination or Expiration.

Upon the expiration or earlier termination of this Agreement, Seller shall, at its expense (unless expressly provided otherwise in this Agreement), remove all of the tangible property comprising the System from the Premises with a targeted completion date that is no later than ninety (90) days after the expiration of the Term. The portion of the Premises where the System is located shall be returned to substantially its original condition (excluding ordinary wear and tear), including the removal of System mounting pads or other support structures, and

repair and restoration of the roof and the roof membrane. If the System is installed on the roof of an Improvement, Seller's warranties under Section 12(c)(i) shall apply, as applicable. Purchaser must provide sufficient access, space and cooperation as reasonably necessary to facilitate System removal. If Seller fails to remove or commence substantial efforts to remove the System by such agreed upon date, Purchaser may, at its option, to remove the System to a public warehouse and restore the Premises to its original condition (other than ordinary wear and tear) at Seller's cost.

10. Measurement.

- a. **Meter.** The System's electricity output during the Term shall be measured by Seller's meter, which shall be a revenue grade meter that meets ANSI-C12.20 standards for accuracy (the "**Meter**"). Purchaser shall have access to the metered energy output data via the Also Energy monitoring system installed and maintained by Seller as part of the System.
- b. **Meter Calibration.** Seller shall calibrate the Meter in accordance with manufacturer's recommendations. Notwithstanding the foregoing, Purchaser may install, or cause to be installed, its own revenue-grade meter at the same location as the Meter. If there is a discrepancy between the data from Purchaser's meter and the data from the Meter of greater than two percent (2%) over the course of a Contract Year, then Purchaser may request that Seller calibrate the Meter at Purchaser's cost. If, upon testing, Purchaser's meter or the Meter is found to be inaccurate by an amount exceeding plus or minus two percent (2%), then the Party whose meter is inaccurate by such percent shall be promptly repair or adjust its meter to record properly. If, upon testing, the Meter is found to be accurate or to be inaccurate by an amount less than plus or minus two percent (2%), then Purchaser shall be responsible for the cost of such calibration testing. If no reliable information exists as to the period over which the Meter registered inaccurately, it shall be assumed for purposes of correcting previously delivered invoices that such inaccuracy began at the earlier of: (a) a point in time midway between the testing date and the next previous date on which the Meter was tested and found to be accurate, and (b) six months. If, upon testing, the Meter is found to be in error by an amount exceeding plus or minus two percent (2%), then the payments for electric energy delivered since the previous test of the Meter shall be adjusted to reflect the corrected measurements. If the difference in the previously invoiced amounts minus the adjusted payment is a positive number, that difference will offset amounts owed by Purchaser to Seller in subsequent month(s). If the difference is a negative number, the difference shall be added to the next month's invoice and paid by the Purchaser to the Seller on the date of such invoice.

11. **Default, Remedies and Damages.**

- a. **Default.** Any Party that fails to perform its responsibilities as listed below or experiences any of the circumstances listed below is deemed a "**Defaulting Party**", the other Party is the "**Non-Defaulting Party**" and each of the following is a "**Default Event**":
 - i. failure of a Party to pay any amount due and payable under this Agreement, other than an amount that is subject to a good faith dispute, within ten (10) days following receipt of written notice from the Non-Defaulting Party of such failure to pay ("**Payment Default**");
 - ii. failure of a Party to perform any material obligation under this Agreement not addressed elsewhere in this Section 11(a) within thirty (30) days following receipt of written notice from the Non-Defaulting Party demanding such cure; provided, that if the Default Event cannot reasonably be cured within thirty (30) days and the Defaulting Party has demonstrated prior to the end of that period that it is diligently pursuing such cure, the cure period will be extended for a further reasonable period of time, not to exceed ninety (90) days;
 - iii. any representation or warranty given by a Party under this Agreement was incorrect in any material respect when made and is not cured within thirty (30) days following receipt of written notice from the Non-Defaulting Party demanding such cure;
 - iv. a Party becomes insolvent or is a party to a bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or any general assignment for the benefit of creditors or other similar arrangement or any event occurs or proceedings are taken in any jurisdiction with respect to the Party which has a similar effect (or, if any such actions are initiated by a third party, such action(s) is(are) not dismissed within sixty (60) days); or,
 - v. in the case of Purchaser as the Defaulting Party only, Purchaser (A) loses its rights to occupy and enjoy or otherwise access the Premises as required for Seller to perform its obligations under this Agreement, unless (I) the Parties agree upon a relocation under Section 8 above, or (II) Purchaser pays the Termination Payment determined under Section 7 of Exhibit 1 within thirty (30) days after written request by Seller; or (B) prevents Seller from performing any material obligation under this Agreement unless such action by Purchaser is (I) is permitted under this Agreement, or (II) is cured within five (5) days after written notice thereof from Seller.

b. Remedies.

- i. **Suspension.** Upon the occurrence and during the continuation of a Default Event by Purchaser, including a Payment Default, Seller may suspend performance of its obligations under this Agreement until the earlier to occur of the date (a) that Purchaser cures the Default Event in full, or (b) of termination of this Agreement. Seller's rights under this Section 11(b)(i) are in addition to any other remedies available to it under this Agreement, at law or in equity.
- ii. **Termination.** Upon the occurrence and during the continuation of a Default Event, the Non-Defaulting Party may terminate this Agreement, by providing five (5) days prior written notice to the Defaulting Party; provided, that, in the case of a Default Event under Section 11(a)(iv), the Non-Defaulting Party may terminate this Agreement immediately.
- iii. **Damages Upon Termination by Default.** Upon a termination of this Agreement pursuant to Section 11(b)(ii), the Defaulting Party shall pay a termination payment to the Non-Defaulting Party determined as follows (the "**Termination Payment**"):
 - (1) **Termination by Seller.** If Seller terminates this Agreement for a Default Event by Purchaser, the Termination Payment payable to Seller shall be equal to the sum of (i) the applicable amount set forth in the Termination Payment Schedule set forth as Section 7 of Exhibit 1, and (ii) any other amounts previously accrued under this Agreement and then owned by Purchaser to Seller. Such Termination Payment shall be paid by Purchaser no later than 30 days after Notice of termination to Purchaser pursuant to Section 11(b)(ii).
 - (2) **Termination by Purchaser.** If Seller is the Defaulting Party and Purchaser terminates this Agreement, the Termination Payment to Purchaser will be equal to the sum of (i) the present value of the excess, if any, of the reasonably expected cost of electricity from the utility over the Contract Price for the reasonably expected production of the System for the remainder of the Initial Term or the then current Additional Term, as applicable; (ii) all direct costs reasonably incurred by Purchaser by reason of the termination; and (iii) any and all other amounts previously accrued under this Agreement and then owed by Seller to Purchaser. The Termination Payment determined under this Section 11(b)(iii)(2) cannot be less than zero.
- iv. **Liquidated Damages.** The Parties agree that, if a Party terminates this Agreement prior to the expiration of the Term pursuant to Section 11(b)(ii), actual damages would be difficult to ascertain, and the Termination Payment determined in accordance with Section 11(b)(iii) is a reasonable approximation of the damages suffered by Seller as a result of early termination of this Agreement and is not a penalty.

c. Obligations Following Termination. If a Party terminates this Agreement pursuant to Section 11(b)(ii), then following such termination, Seller shall remove the equipment constituting the System in compliance with Section 9 above at the sole cost and expense of the Defaulting Party, *provided, however* that Seller shall not be required to remove the System following the occurrence of a Default Event by Purchaser pursuant to Section 11(a)(i), unless Purchaser pre-pays the cost of restoration reasonably estimated by Seller.

- i. **Reservation of Rights.** Except in the case of a termination under Section 11(b)(ii) and payment of a Termination Payment, if any, determined pursuant to Section 11(b)(ii), nothing in this Section 11 limits either Party's right to pursue any remedy under this Agreement, at law or in equity, including with respect to the pursuit of an action for damages by reason of a breach or Default Event under this Agreement.
- ii. **Mitigation Obligation.** Regardless of whether this Agreement is terminated for a Default Event, the Non-Defaulting Party must make commercially reasonable efforts to mitigate its damages as the result of such Default Event; provided that such obligation shall not reduce Purchaser's obligation to pay the full Termination Payment set forth in Section 7 of Exhibit 1 following a Default Event by Purchaser.
- iii. **No Limitation on Payments.** Nothing in this Section 11 excuses a Party's obligation to make any payment when due under this Agreement, including with respect to payments for electricity that would have been delivered to Purchaser but for a Purchaser breach or Default Event.

12. Representations and Warranties.

- a. **General Representations and Warranties.** Each Party represents and warrants to the other the following:
- i. Such Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation; the execution, delivery and performance by such Party of this Agreement have been duly authorized by all necessary corporate, partnership or limited liability company action, as applicable, and do not and will not violate any law; and this Agreement is the valid obligation of such Party, enforceable against such Party in accordance with its terms (except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws now or hereafter in effect relating to creditors' rights generally).
 - ii. Such Party has obtained all licenses, authorizations, consents and approvals required by any Governmental Authority or other third party and necessary for such Party to own its assets, carry on its business and to execute and deliver this Agreement; and such Party is in compliance with all laws that relate to this Agreement in all material respects.
- b. **Purchaser's Representations and Warranties.** Purchaser represents and warrants to Seller the following:
- i. **Licenses.** (a) Purchaser has title to or a leasehold or other valid property interest in the Premises such that Purchaser has the full right, power and authority to grant the Site License in Section 7(a), (b) such grant of the Site License does not violate any law, ordinance, rule or other governmental restriction applicable to Purchaser or the Premises and is not inconsistent with and will not result in a breach or default under any agreement by which Purchaser is bound or that affects the Premises.
 - ii. **Other Agreements.** Neither the execution and delivery of this Agreement by Purchaser nor the performance by Purchaser of any of its obligations under this Agreement conflicts with or will result in a breach or default under any agreement or obligation to which Purchaser is a party or by which Purchaser is bound.
 - iii. **Accuracy of Information.** All information provided by Purchaser to Seller, as it pertains to (a) the Premises, (b) the Improvements on which the System is to be installed, if applicable, (c) Purchaser's planned use of the Premises and any applicable Improvements, and (d) Purchaser's estimated electricity requirements, is accurate in all material respects.
 - iv. **Purchaser Status.** Purchaser is not a public utility or a public utility holding company and is not subject to regulation as a public utility or a public utility holding company.
 - v. **Limit on Use.** No portion of the electricity generated by the System shall be used to heat a swimming pool.
- c. Reserved.
- d. **NO OTHER WARRANTY.** THE WARRANTIES SET FORTH IN SECTIONS 12(a) AND 12(c) OF THIS AGREEMENT ARE PURCHASER'S SOLE AND EXCLUSIVE BASIS FOR ANY CLAIM OR LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS SECTION 12, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. OTHER THAN AS EXPRESSLY SET FORTH IN SECTIONS 12(a) AND 12(c), NO WARRANTY, WHETHER STATUTORY, WRITTEN, ORAL, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, APPLIES UNDER THIS AGREEMENT.

13. **Insurance.**

- a. **Insurance Coverage.** At all times during the Term, the Parties shall maintain the following insurance, as applicable:
- i. **Seller's Insurance.** Seller shall maintain or ensure the following is maintained (a) property insurance on the System for the replacement cost thereof, (b) commercial general liability insurance with coverage of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate, (c) employer's liability insurance with coverage of at least \$1,000,000 bodily injury by disease, (d) automobile liability insurance if the use of motor vehicles is required, (e) Umbrella/Excess liability with limits of at least \$5,000,000 for each occurrence, and (f) workers' compensation insurance as required by law. Seller's coverage may be provided as part of an enterprise insurance

program.

- ii. **Purchaser's Insurance.** Purchaser shall maintain commercial general liability insurance with coverage, written on "occurrence" policy forms, for premises/operations, products/completed operations, property damage, contractual liability and bodily injury, with no exclusions for explosion, collapse or underground perils, with primary coverage limits of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate.

b. Policy Provisions.

- i. Each Party's insurance policies shall (i) contain a provision whereby the insurer agrees to give the other Party at least thirty (30) days (ten (10) days for non-payment of premiums) written notice before the insurance is cancelled, or terminated, (ii) be written on an occurrence basis, and (iii) be maintained with companies either rated no less than A-VII as to Policy Holder's Rating in the current edition of A.M. Best's Insurance Guide or otherwise reasonably acceptable to the other Party.
- ii. Commercial general liability policies shall also include a separation of insureds clause with no exclusions or limitations on cross liability. However, if such insurance is written on a "claims-made" form following termination of the Agreement, coverage shall survive for a period of not less than three (3) years. Coverage shall provide for a retroactive date of placement coinciding with the Effective Date. All policies required in this Section shall be considered primary without contribution from any other policies a party or its successors and assigns may hold.

- c. **Certificates.** Upon the other Party's request, each Party shall deliver to the other Party certificates of insurance evidencing the above required coverage. A Party's receipt, review or acceptance of such certificate shall in no way limit or relieve the other Party of the duties and responsibilities to maintain insurance as set forth in this Agreement.

- d. **Deductibles.** Each Party shall pay its own insurance deductibles, except in the case of claims (i) resulting from a breach of this Agreement, in which case the breaching Party is responsible for payment of the non-breaching Party's deductible for any responding insurance, and (ii) covered by an indemnity set forth in this Agreement.

- e. **Waiver of Subrogation.** Seller and Purchaser each waive any and all claims and its right of recovery against the other for any loss of, or damage to, such Party's property to the extent that such loss or damage is insured, or could be insured by an all risk property insurance policy applicable to the System, Premises or other property of such Party. Each Party shall obtain a waiver or subrogation, and any special endorsements if required by its insurance carriers, whereby said insurance carriers waive their rights of subrogation against the other Party as required by this Section 13(e). The intent of this provision is that each Party shall look solely to its own insurance with respect to property damage or destruction which can be covered by all risks insurance, except as otherwise expressly set forth in this Section 13(e), and to waive fully, and for the benefit of the other Party, any rights and/or claims which might give rise to a right of subrogation in favor of any of such Party's insurance carriers.

14. Ownership.

a. Ownership of System.

- i. **Ownership; Personal Property.** Throughout the Term, Seller shall be the legal and beneficial owner of the System, and all RECs and Incentives, and the System will remain the personal property of Seller and will not attach to or be deemed a part of, or fixture to, the Premises or any Improvement on which the System is installed. Each of the Seller and Purchaser agree that the Seller is the tax owner of the System and all tax filings and reports shall be filed in a manner consistent with this Agreement. The System will at all times retain the legal status of personal property as defined under Article 9 of the Uniform Commercial Code.
- ii. **Notice to Purchaser Lienholders.** Purchaser shall use commercially reasonable efforts to place all parties having a Lien on the Premises or any Improvement on which the System is installed on notice of the ownership of the System and the legal status or classification of the System as personal property. If any mortgage or fixture filing against the Premises could reasonably be construed as prospectively attaching to the System as a fixture of the Premises, Purchaser shall provide a disclaimer or release from such lienholder.
- iii. **Fixture Disclaimer.** If Purchaser is the fee owner of the Premises, Purchaser consents to the filing of a

disclaimer of the System as a fixture of the Premises in the office where real estate records are customarily filed in the jurisdiction where the Premises are located. If Purchaser is not the fee owner, Purchaser shall obtain such consent from such owner. For the avoidance of doubt, in either circumstance Seller has the right to file such disclaimer.

- iv. **SNDA**. Upon request, Purchaser shall deliver to Seller a subordination and non-disturbance agreement in a form mutually acceptable to Seller and the provider of the subordination and non-disturbance agreement from the owner of the Premises (if the Premises are leased by Purchaser), any mortgagee with a Lien on the Premises, and other Persons holding a similar interest in the Premises.
- v. **Eviction Notice**. To the extent that Purchaser does not own the Premises or any Improvement on which the System is installed, Purchaser shall provide to Seller immediate written notice of receipt of notice of eviction from the Premises or applicable Improvement or termination of Purchaser's lease of the Premises and/or Improvement.

15. **Indemnification and Limitations of Liability.**

- a. **General**. Each Party (the "**Indemnifying Party**") shall defend, indemnify and hold harmless the other Party, its affiliates and the other Party's and its affiliates' respective directors, officers, shareholders, partners, members, agents and employees (collectively, the "**Indemnified Parties**"), from and against any loss, damage, expense, liability and other claims, including court costs and reasonable attorneys' fees (collectively, "**Liabilities**") resulting from (1) any Claim (as defined in Section 15(b)) relating to the Indemnifying Party's breach of any representation or warranty set forth in Section 12, and (2) injury to or death of persons, and damage to or loss of property to the extent caused by or arising out of the negligent acts or omissions of, or the willful misconduct of, fraud by, or criminal act of the Indemnifying Party (or its contractors, agents or employees) in connection with this Agreement; provided, however, that nothing herein will require the Indemnifying Party to indemnify the Indemnified Parties for any Liabilities to the extent caused by or arising out of the negligent acts or omissions of, or the willful misconduct of, fraud by, or criminal acts of, an Indemnified Party. This Section 15(a) does not apply to Liabilities arising out of or relating to any form of Hazardous Substances or other environmental contamination, such matters being addressed exclusively by Section 15(c).
- b. **Notice and Participation in Third Party Claims**. The Indemnified Party shall give the Indemnifying Party written notice with respect to any Liability asserted by a third party (a "**Claim**"), as soon as possible upon the receipt of information of any possible Claim or of the commencement of such Claim. The Indemnifying Party may assume the defense of any Claim, at its sole cost and expense, with counsel designated by the Indemnifying Party and reasonably satisfactory to the Indemnified Party. The Indemnified Party may, however, select separate counsel if both Parties are defendants in the Claim and such defense or other form of participation is not reasonably available to the Indemnifying Party. The Indemnifying Party shall pay the reasonable attorneys' fees incurred by such separate counsel until such time as the need for separate counsel expires. The Indemnified Party may also, at the sole cost and expense of the Indemnifying Party, assume the defense of any Claim if the Indemnifying Party fails to assume the defense of the Claim within a reasonable time. Neither Party may settle any Claim covered by this Section 15(b) unless it has obtained the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. The Indemnifying Party has no liability under this Section 15(b) for any Claim for which such notice is not provided if the failure to give notice prejudices the Indemnifying Party.
- c. **Environmental Indemnification**.
 - i. Reserved.
 - ii. **Purchaser Indemnity**. Purchaser shall indemnify, defend and hold harmless all of Seller's Indemnified Parties from and against all Liabilities arising out of or relating to the existence at, on, above, below or near the Premises of any Hazardous Substance, except to the extent deposited, spilled or otherwise caused by Seller or any of its contractors, agents or employees.
 - iii. **Notice**. Each Party shall promptly notify the other Party if it becomes aware of any Hazardous Substance on or about the Premises generally or any deposit, spill or release of any Hazardous Substance. "**Hazardous Substance**" means any chemical, waste or other substance (a) which now or hereafter becomes defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "pollution," "pollutants," "regulated substances," or words of similar import under any laws pertaining to the environment,

health, safety or welfare, (b) which is declared to be hazardous, toxic, or polluting by any Governmental Authority, (c) exposure to which is now or hereafter prohibited, limited or regulated by any Governmental Authority, (d) the storage, use, handling, disposal or release of which is restricted or regulated by any Governmental Authority, or (e) for which remediation or cleanup is required by any Governmental Authority.

d. Limitations on Liability.

i. **No Consequential Damages.** Except with respect to indemnification of third-party claims pursuant to this Section 15, neither Party nor its directors, officers, shareholders, partners, members, agents and employees subcontractors or suppliers will be liable for any indirect, special, incidental, exemplary, or consequential loss or damage of any nature (including, without limitation, lost revenues, lost profits, lost business opportunity or any business interruption) arising out of their performance or non-performance hereunder even if advised of such. Notwithstanding the previous sentence, the Termination Payment set forth in Section 7 of Exhibit 1 and Section 11(b)(iii)(2) shall be deemed to be direct, and not indirect or consequential damages for purpose of this Section 15(d)(i).

e. **EXCLUSIVE REMEDIES.** TO THE EXTENT THAT THIS AGREEMENT SETS FORTH SPECIFIC REMEDIES FOR ANY CLAIM OR LIABILITY, SUCH REMEDIES ARE THE AFFECTED PARTY'S SOLE AND EXCLUSIVE REMEDIES FOR SUCH CLAIM OR LIABILITY, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE.

f. **Comparative Negligence.** Where negligence is determined to have been joint, contributory or concurrent, each Party shall bear the proportionate cost of any Liability.

16. Change in Law.

a. **Impacts of Change in Law.** If Seller determines that a Change in Law has occurred or will occur that has or will have a material adverse effect on Seller's rights, entitlement, obligations or costs under this Agreement, then Seller may so notify the Purchaser in writing of such Change in Law. Within thirty (30) days following receipt by the Purchaser of such notice, the Parties shall meet and attempt in good faith to negotiate such amendments to this Agreement as are reasonably necessary to preserve the economic value of this Agreement to both Parties. If the Parties are unable to agree upon such amendments within such thirty (30) day period, then Seller may terminate this Agreement and remove the System and restore the Premises in accordance with Section 9 without either Party having further liability under this Agreement except with respect to liabilities accrued prior to the date of termination.

b. **Illegality or Impossibility.** If a Change in Law renders this Agreement, or Seller's performance of this Agreement, either illegal or impossible, then Seller may terminate this Agreement immediately upon notice to Purchaser without either Party having further liability under this Agreement except with respect to liabilities accrued prior to the date of termination.

c. **"Change in Law"** means (i) the enactment, adoption, promulgation, modification or repeal after the Effective Date of any applicable law or regulation, (ii) the imposition of any material conditions on the issuance or renewal of any applicable permit after the Effective Date (notwithstanding the general requirements contained in any applicable Permit at the time of application or issue to comply with future laws, ordinances, codes, rules, regulations or similar legislation), or (iii) a change in any utility rate schedule or tariff approved by any Governmental Authority.

17. Assignment and Financing.

a. Assignment.

i. **Restrictions on Assignment.** Subject to the remainder of this Section 17(a), this Agreement may not be assigned in whole or in part by either Party without the prior written consent of the other Party, which consent may not be unreasonably withheld or delayed. Purchaser may not withhold its consent to an assignment proposed by Seller where the proposed assignee has the financial capability and experience necessary to operate and maintain solar photovoltaic systems such as the System.

ii. **Permitted Assignments.** Notwithstanding Section 17(a)(i):

1. Seller may, without the prior written consent of Purchaser, assign, mortgage, pledge or otherwise directly or indirectly assign its interests in this Agreement to (A) any Financing Party (as defined in Section 17(b)), (B) any entity through which Seller is obtaining financing from a Financing Party, or (C) any affiliate of Seller or any entity or person succeeding to all or substantially all of the assets of Seller; provided, that, Seller is not released from liability hereunder as a result of any assignment to an affiliate unless the assignee assumes Seller's obligations hereunder by binding written instrument; and
2. Purchaser may, by providing prior notice to Seller, assign this Agreement:
 - a. to an affiliate of Purchaser or a purchaser of the Premises; provided, that, Purchaser is not released from liability hereunder by reason of the assignment unless the assignee assumes Purchaser's obligations hereunder by binding written instrument on terms satisfactory to Seller, including as to the assignee's creditworthiness; and
 - b. to an assignee that (i) has an Investment Grade credit rating. "**Investment Grade**" means the assignee has a long-term unsecured debt rating from Moody's or S&P of at least Baa3 from Moody's and/or at least BBB- from S&P.
- iii. Successors and Permitted Assignees. This Agreement is binding on and inures to the benefit of successors and permitted assignees. The restrictions on assignment contained herein do not prohibit or otherwise limit changes in control of Seller.
- b. Financing. The Parties acknowledge that Seller may obtain debt or equity financing or other credit support from lenders, investors or other third parties (the "**Financing Part(y/ies)**") in connection with the installation, construction, ownership, operation and maintenance of the System. In furtherance of Seller's financing arrangements and in addition to any other rights or entitlements of Seller under this Agreement, Purchaser shall do the following:
 - i. Timely execute any consents to assignment (which may include notice, cure, attornment and step-in rights) or estoppels and negotiate any amendments to this Agreement that may be reasonably requested by Seller or the Financing Parties; provided, that such estoppels, consents to assignment or amendments do not alter the fundamental economic terms of this Agreement;
 - ii. Within fifteen (15) days after Purchaser's receipt of any Seller request pursuant to this Section 17(b)(ii), Purchaser shall provide any credit support documentation pertaining to Purchaser's creditworthiness or other material documents related to this Agreement as may be reasonably requested by a Financing Party in connection with Seller's financing arrangements. If Purchaser fails to provide such documentation within the timeframe specified herein, then Seller shall have the right to terminate this Agreement pursuant to Section 11(a)(ii).
- c. Termination Requires Consent. Seller and Purchaser agree that any right of Seller to terminate this Agreement is subject to the prior written consent of any Financing Party.

18. Confidentiality.

- a. Confidential Information. To the maximum extent permitted by applicable law, if either Party provides confidential information ("**Confidential Information**") to the other or, if in the course of performing under this Agreement or negotiating this Agreement a Party learns Confidential Information of the other Party, the receiving or learning Party shall (i) protect the Confidential Information from disclosure to third parties with the same degree of care accorded its own confidential and proprietary information, and (ii) refrain from using such Confidential Information, except in the negotiation, performance, enforcement and, in the case of Seller, financing, of this Agreement. The terms of this Agreement (but not the fact of its execution or existence) are considered Confidential Information of each Party for purposes of this Section 18(a).
- b. Permitted Disclosures. Notwithstanding Section 18(a):
 - i. a Party may provide such Confidential Information to its affiliates and to its and its affiliates' respective officers, directors, members, managers, employees, agents, contractors, consultants and Financing Parties (collectively, "Representatives"), and potential direct or indirect assignees of this Agreement if such potential assignees are first bound by a written agreement or legal obligation restricting use and disclosure of Confidential Information. Each Party is liable for breaches of this provision by any person to whom that Party discloses Confidential Information.
 - ii. Confidential Information does not include any information that (a) becomes publicly available other than through

breach of this Agreement, (b) is required to be disclosed to a Governmental Authority under applicable law or pursuant to a validly issued subpoena, (c) is independently developed by the receiving Party, or (d) becomes available to the receiving Party without restriction from a third party under no obligation of confidentiality. If disclosure of information is required by a Governmental Authority, the disclosing Party shall, to the extent permitted by applicable law, notify the other Party of such required disclosure promptly upon becoming aware of such required disclosure and shall reasonably cooperate with the other Party's efforts to limit the disclosure to the extent permitted by applicable law, including, but not limited to, the California Public Records Act.

- c. **Miscellaneous.** All Confidential Information remains the property of the disclosing Party and will be returned to the disclosing Party or destroyed (at the receiving Party's option) after the receiving Party's need for it has expired or upon the request of the disclosing Party. Each Party acknowledges that the disclosing Party would be irreparably injured by a breach of this Section 18 by the receiving Party or its Representatives or other person to whom the receiving Party discloses Confidential Information of the disclosing Party and that the disclosing Party may be entitled to equitable relief, including injunctive relief and specific performance, for breaches of this Section 18. To the fullest extent permitted by applicable law, such remedies shall not be deemed to be the exclusive remedies for a breach of this Section 18, but will be in addition to all other remedies available at law or in equity. The obligation of confidentiality will survive termination of this Agreement for a period of two (2) years.
- d. **Goodwill and Publicity.** Neither Party may (a) make any press release or public announcement of the specific terms of this Agreement or the use of solar or renewable energy involving this Agreement (except for filings or other statements or releases as may be required by applicable law), or (b) use any name, trade name, service mark or trademark of the other Party in any promotional or advertising material without the prior written consent of the other Party. The Parties shall coordinate and cooperate with each other when making public announcements regarding this Agreement, the System and its use, and each Party may promptly review, comment upon and approve any publicity materials, press releases or other public statements before they are made. Notwithstanding the above, Seller is entitled to place signage on the Premises reflecting its association with the System.

19. **General Provisions**

- a. **Definitions and Interpretation.** Unless otherwise defined or required by the context in which any term appears: (i) the singular includes the plural and vice versa, (ii) the words "herein," "hereof" and "hereunder" refer to this Agreement as a whole and not to any particular section or subsection of this Agreement, (iii) references to any agreement, document or instrument mean such agreement, document or instrument as amended, restated, modified, supplemented or replaced from time to time, and (iv) the words "include," "includes" and "including" mean include, includes and including "without limitation." The captions or headings in this Agreement are strictly for convenience and will not be considered in interpreting this Agreement. As used in this Agreement, "dollar" and the "\$" sign refer to United States dollars.
- b. **Choice of Law; Dispute Resolution; Waiver of Jury Trial.**
 - i. The law of the state where the System is located governs all matters arising out of this Agreement without giving effect to conflict of laws principles. Each Party to this Agreement waives its rights to a trial by jury of any or all issues arising in any action or proceeding between the Parties hereto or their successors, under or connected with the Agreement. THE PARTIES ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE FOREGOING, HAVE HAD THE OPPORTUNITY TO HAVE THIS AGREEMENT REVIEWED BY THEIR LEGAL COUNSEL, AND ACCEPT THAT THEY ARE VOLUNTARILY WAIVING THEIR RIGHT TO A JURY TRIAL.
 - ii. Unless otherwise expressly provided for in this Agreement, the dispute resolution procedures in this Section 19(b) shall govern all disputes under this Agreement.
 - (1) **Mediation**
 - a. Claims, disputes, or other matters in controversy arising out of or related to this Agreement, except those expressly waived hereunder, shall be subject to mediation as a condition precedent to binding dispute resolution.
 - b. The Parties shall endeavor to resolve their claims by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with

its Commercial Arbitration Rules and Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other Party, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of binding dispute resolution proceedings but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of sixty (60) days from the date of filing, unless stayed for a longer period by agreement of the Parties or court order. If an arbitration is stayed pursuant to this section, the Parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

- c. Either Party may, within thirty (30) days from the date that mediation has been concluded without resolution of the dispute or sixty (60) days after mediation has been demanded without resolution of the dispute, demand in writing that the other Party file for binding dispute resolution. If such a demand is made and the party receiving the demand fails to file for binding dispute resolution within sixty (60) days after receipt thereof, then both Parties waive their rights to binding dispute resolution proceedings with respect to the initial decision.
- d. The Parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the State of Texas, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

(2) **Arbitration**

- a. Arbitration shall be the method for binding dispute resolution in the Agreement, for any claim subject to, but not resolved by, mediation. Any arbitration shall be administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules and Mediation Procedures in effect on the date of the Agreement. The arbitration shall be conducted in the State of Texas, unless another location is mutually agreed upon.
 - b. The Parties shall use their reasonable efforts to agree upon a single arbitrator, who shall be a neutral, disinterested party with significant experience in the electric power industry, who has never been an officer, director, employee or attorney of either Party, or any of their affiliates and who has a formal financial, accounting or legal education. If the amount of the claim at issue is above \$50,000, or the Parties cannot agree on a single arbitrator within thirty (30) days, the arbitration panel shall be composed of three arbitrators and the parties shall have choice with respect to each arbitrator.
 - c. If the parties proceed to arbitration, a demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the claim would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the claim.
 - d. The hearing shall be commenced on or before sixty (60) days after the selection of the arbitrator(s). The Parties and the arbitrator(s) shall proceed diligently and in good faith so that the arbitration award shall be entered on or before sixty (60) days after the arbitration hearing. The decision of the arbitrator, or a majority of the arbitrators, if applicable, shall be final, binding and non-appealable. Any judgment on the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction.
 - e. The prevailing Party in any an arbitration arising out of this Agreement shall be entitled to reasonable attorneys' fees and costs.
- c. **Notices.** All notices under this Agreement shall be in writing and delivered by hand, electronic mail, overnight courier, or regular, certified, or registered mail, return receipt requested, and will be deemed received upon personal delivery, acknowledgment of receipt of electronic transmission, the promised delivery date after deposit with overnight courier, or five (5) days after deposit in the mail. Notices must be sent to the person identified in this Agreement at the addresses set forth in this Agreement or such other address as either Party may specify in writing.
- d. **Survival.** Provisions of this Agreement that should reasonably be considered to survive termination of this Agreement shall survive. For the avoidance of doubt, surviving provisions shall include, without limitation, Section 12

(Representations and Warranties), Section 13 (Insurance), Section 15 (Indemnification and Limitations of Liability), Section 18 (Confidentiality), Section 19(b) (Choice of Law; Dispute Resolution; Waiver of Jury Trial), and Section 19(c) (Notices).

- e. **Further Assurances.** Each Party shall provide such information, execute and deliver any instruments and documents and to take such other actions as may be reasonably requested by the other Party to give full effect to this Agreement and to carry out the intent of this Agreement.
- f. **Waivers.** No provision or right or entitlement under this Agreement may be waived or varied except in writing signed by the Party to be bound. No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision, nor will such waiver constitute a continuing waiver unless otherwise expressly provided.
- g. **Non-Dedication of Facilities.** Nothing in this Agreement may be construed as the dedication by either Party of its facilities or equipment to the public or any part thereof. Neither Party may knowingly take any action that would subject the other Party, or other Party's facilities or equipment, to the jurisdiction of any Governmental Authority as a public utility or similar entity. Neither Party may assert in any proceeding before a court or regulatory body that the other Party is a public utility by virtue of such other Party's performance under this Agreement. If Seller is reasonably likely to become subject to regulation as a public utility, then the Parties shall use commercially reasonable efforts to restructure their relationship under this Agreement in a manner that preserves their relative economic interests while ensuring that Seller does not become subject to any such regulation. If the Parties are unable to agree upon such restructuring, Seller may terminate this Agreement without further liability under this Agreement except with respect to liabilities accrued prior to the date of termination and remove the System in accordance with Section 9 of this Agreement.
- h. **Service Contract.** The Parties intend this Agreement to be a "service contract" within the meaning of Section 7701(e)(3) of the Internal Revenue Code of 1986. Purchaser shall not take the position on any tax return or in any other filings suggesting that it is anything other than a purchase of electricity from the System.
- i. **No Partnership.** No provision of this Agreement may be construed or represented as creating a partnership, trust, joint venture, fiduciary or any similar relationship between the Parties. No Party is authorized to act on behalf of the other Party, and neither may be considered the agent of the other.
- j. **Entire Agreement, Modification, Invalidity, Captions.** This Agreement constitutes the entire agreement of the Parties regarding its subject matter and supersedes all prior proposals, agreements, or other communications between the Parties, oral or written. This Agreement may be modified only by a writing signed by both Parties. If any provision of this Agreement is found unenforceable or invalid, such provision shall not be read to render this Agreement unenforceable or invalid as a whole. In such event, such provision shall be rectified or interpreted so as to best accomplish its objectives within the limits of applicable law. This Agreement may be executed in any number of separate counterparts and each counterpart shall be considered an original and together shall comprise the same Agreement. The captions or headings in this Agreement are strictly for convenience and shall not be considered in interpreting this Agreement.
- k. Reserved.
- l. **No Third-Party Beneficiaries.** Except as otherwise expressly provided herein, this Agreement and all rights hereunder are intended for the sole benefit of the Parties hereto, and the Financing Parties to the extent provided herein or in any other agreement between a Financing Party and Seller or Purchaser, and do not imply or create any rights on the part of, or obligations to, any other Person.

End of Exhibit 3

Solar Power Purchase Agreement

This Solar Power Purchase Agreement (this “**Agreement**”) is entered into by the parties listed below (each a “**Party**” and collectively the “**Parties**”) as of the date signed by Seller below (the “**Effective Date**”).

Purchaser:		Seller:	
Name and Address	City of Willows-Fire Station 201 North Lassen Street Willows, CA 95988 Attention: Marti Brown	Name and Address	RP Willows Solar 3, LLC 423 W. 55th Street – 7th Floor New York, New York 10019 Attention: John Bates
Phone	(530) 934-7041	Phone	N/A
Fax	None	Fax	N/A
E-mail	mbrown@cityofwillows.org	E-mail	legal@radialpower.com
Premises Ownership	Purchaser [x] owns [Click or tap here to enter text.] leases the Premises.	Additional Seller Information	
Tax Status	Government entity		
Project Name	[RP Willows Solar 3]		

This Agreement sets forth the terms and conditions of the purchase and sale of solar generated electricity from the solar panel system described in **Exhibit 2** (the “**System**”) and installed on the real property comprising Purchaser’s premises described or depicted in Schedule A to **Exhibit 2** (the “**Premises**”), including any buildings and other improvements on the Premises other than the System (the “**Improvements**”). Concurrently with the execution of this Agreement, Purchaser and Seller are entering into that certain site license agreement (the “**Site License**”) with respect to the System and the Premises. This Agreement, including any applicable exhibits or amendments hereto, shall constitute a single agreement between the Parties.

The exhibits listed below are incorporated by reference and made part of this Agreement.

<u>Exhibit 1</u>	Pricing
<u>Exhibit 2</u>	System Description, Delivery Point and Premises
<u>Exhibit 3</u>	General Terms and Conditions

Purchaser: City of Willows

Seller: RP Willows Solar 3, LLC

Signature: _____
 Printed Name: M a r t i B r o w n _____
 Title: C i t y M a n a g e r _____
 Date: _____

Signature: _____
 Printed Name: J o h n B a t e s _____
 Title: C E O _____
 Date: _____

Exhibit 1

Pricing

1. **Initial Term:** Twenty-five (25) years, beginning on the Commercial Operation Date (the “**Initial Term**”).
2. **Additional Terms:** Up to two (2) terms of five (5) years each beginning on the expiration of the Initial Term or on the expiration of any Additional Term (each an “**Additional Term**”).

3. **Contract Price:**

Contract Year	\$/kWh
1	0.180
2	0.185
3	0.191
4	0.197
5	0.203
6	0.209
7	0.215
8	0.221
9	0.228
10	0.235
11	0.242
12	0.249
13	0.256
14	0.264
15	0.272
16	0.280
17	0.288
18	0.297
19	0.306
20	0.315
21	0.324
22	0.334
23	0.344
24	0.354
25	0.365

The first “Contract Year” shall commence on the Commercial Operation Date, and each subsequent Contract Year shall commence on the anniversary of the Commercial Operation Date.

4. **Contract Price Assumptions.** The Contract Price is based on the following assumptions:
 - a. A payment or performance bond is not being issued to Purchaser under this Agreement.
 - b. Interconnection costs for the System to be connected to the Utility distribution system, including but not limited to fees associated with system upgrades, will not exceed \$0.00 in the aggregate.
 - c. Statutory prevailing wage rates (e.g., Davis-Bacon) do not apply.
 - d. [Intentionally Deleted.]
 - e. All prices in this Agreement are calculated based on an upfront rebate of \$0.
 - f. The Contract Price is inclusive of Seller’s Taxes (as defined in Section 3(d) of **Exhibit 3**) at the rates in effect as of the Effective Date (to the extent that such rates are known or knowable by Seller on the Effective Date).
5. **Contract Price Exclusions.** Unless Seller and Purchaser have agreed otherwise in writing, and except as otherwise provided in Section 2(c) of Exhibit 3, the Contract Price excludes the following:

- a. Unforeseen groundwork (including excavation and circumvention of underground obstacles). Upgrades or repair to customer or utility electrical infrastructure (including: client or utility service, transformers, substations, poles, breakers, reclosers, and disconnects).
- b. Snow removal, tree removal, tree trimming, mowing and any landscape improvements.
- c. Decorative fencing and/or any visual screening materials, decorative enhancements to solar support structures (including: painting, paint matching, masonry/stone work, and any lighting not required to meet the minimum code compliance).
- d. Removal of existing lighting, light poles, or concrete light post bases.
- e. Roof membrane maintenance or reroofing work.
- f. Structural upgrades to the Improvements, including ADA upgrades.
- g. Installation of public information screen or kiosk (including accompanying internet connection, power supply, technical support and ADA access).
- h. Changes in System design caused by any inaccuracy or ambiguity in information provided by Purchaser, including information regarding Purchaser's energy use, the Premises and the Improvements, including building plans and specifications.

6. Environmental Attributes: Accrue to Seller

7. Termination Payment Schedule (Exhibit 3, Section 11(b)):

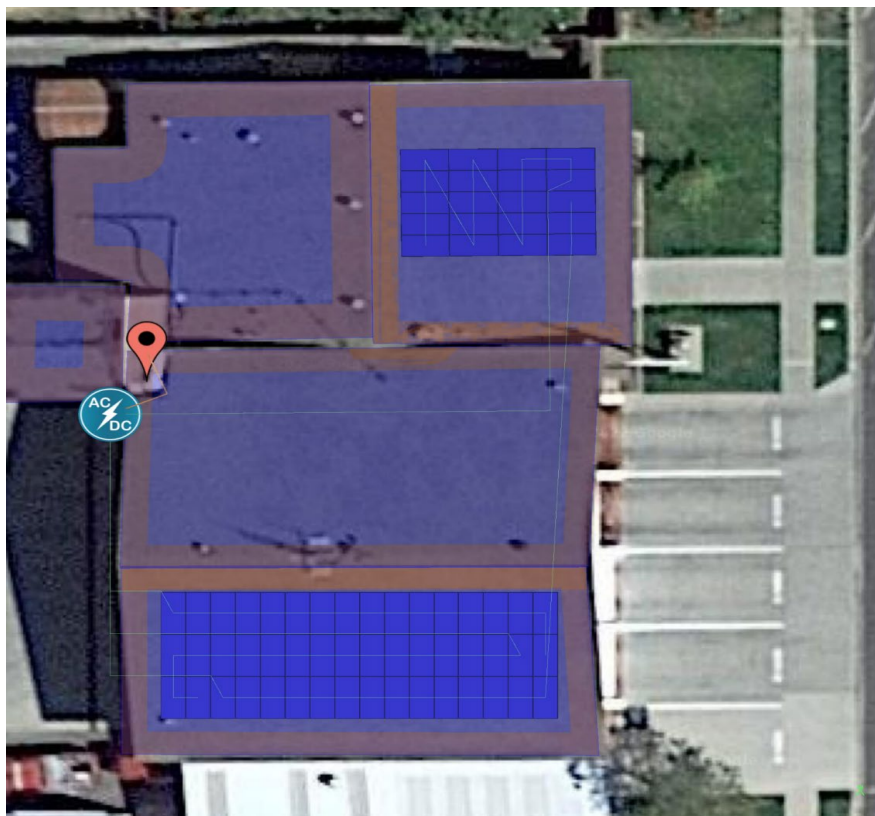
Contract Year	Termination Payment (\$)
1	163,374
2	163,271
3	162,924
4	162,248
5	161,244
6	159,237
7	156,952
8	154,309
9	151,361
10	147,876
11	143,837
12	139,143
13	133,876
14	127,936
15	121,347
16	114,014
17	105,787
18	96,595
19	86,554
20	75,390
21	63,030
22	49,382
23	34,351
24	17,820
25	17,624

Exhibit 2

System Description, Delivery Point and Premises

1. System Location: 455 South Butte Street, Willows, CA 95988
2. System Size (DC kW): 37.4
3. System Description (Expected Structure, Etc.): Roof mounted Photovoltaic
4. **Delivery Point and Premises:** Schedule A to this Exhibit 2 contains one or more drawings or images depicting:
 - a. Premises, including the Improvements (as applicable);
 - b. Proposed System location;
 - c. Delivery point for electricity generated by the **System** (the “**Delivery Point**”);
 - d. Access points needed for Seller to install and service the System (building. access, electrical room, stairs etc.); and
 - e. Construction assumptions (if any).
 - f. Utility:

Schedule A¹



¹ The Parties acknowledge that Schedule A shall be subject to further revision, as approved by Purchaser, to reflect the System set forth on Section 2 of Exhibit 2 and the final System design, as approved by Purchaser pursuant to Section 6(b) of Exhibit 3.

Exhibit 3: Table of Contents

	Page
1. Purchase and Sale of Electricity	1
2. Term and Termination	1
3. Billing and Payment; Taxes.....	1
4. RECs and Incentives	2
5. Project Completion	2
6. Installation, Operation and Maintenance	3
7. Miscellaneous Rights and Obligations of the Parties.....	4
8. Relocation of System.....	5
9. Removal of System upon Termination or Expiration	5
10. Measurement	6
11. Default, Remedies and Damages	6
12. Representations and Warranties	7
13. Insurance	9
14. Ownership;.....	9
15. Indemnification and Limitations of Liability.....	10
16. Change in Law	12
17. Assignment and Financing.	12
18. Confidentiality	13
19. General Provisions.....	14

Exhibit 3

General Terms and Conditions

1. **Purchase and Sale of Electricity.** Purchaser shall purchase from Seller, and Seller shall sell to Purchaser, all of the electricity generated by the System during the Term (as defined in Section 2(a)). Electricity generated by the System shall be delivered to Purchaser at the Delivery Point. Title to and risk of loss for the electricity generated by the System passes to Purchaser from Seller at the Delivery Point. Purchaser may purchase electricity for the Premises from other sources to the extent Purchaser's electricity consumption requirements at the Premises exceed the output of the System.
2. **Term and Termination.**
 - a. **Effective Date; Term.** This Agreement is effective as of the Effective Date. The electricity supply period under this Agreement commences on the Commercial Operation Date (as defined in Section 6) and continues for the duration of the Initial Term and any Additional Terms, unless earlier terminated as provided for in this Agreement (collectively, the "Term").
 - b. **Additional Terms.** The Parties may agree in writing to extend this Agreement for one or more Additional Term(s). If Purchaser desires to extend this Agreement on the terms and conditions set forth herein, Purchaser shall notify Seller in writing at least one hundred eighty (180) days prior to the expiration of the Initial Term or the Additional Term (as applicable). The Parties shall mutually agree upon a Contract Price that is based upon the then fair market value of electricity.
 - c. **Termination Due to Contract Price Adjustments or Lack of Project Viability.** If, at any time after the Effective Date and prior to Commencement of Installation (as defined in Section 5), (i) circumstances arise which have been excluded from Contract Price calculations pursuant to Section 5 of Exhibit 1, or Seller determines that the installation of the System will not be technically or economically viable for any other reason, and (ii) the Parties have negotiated a Contract Price adjustment for thirty (30) days following written notice from Seller without reaching agreement, either Party may terminate this Agreement by providing ten (10) days' prior written notice to the other Party. Neither Party shall be liable for any damages in connection with such termination. After Commencement of Installation, the Contract Price shall not be subject to further adjustment pursuant to Section 5 of Exhibit 1 or otherwise.
 - d. **Termination by Purchaser for Delay.** If Commencement of Installation has not occurred 360 days after the Effective Date, Purchaser may terminate this Agreement by providing thirty (30) days' prior written notice to Seller; provided that this Agreement will not terminate pursuant to this Section 2(d) if Seller achieves Commencement of Installation on or before the end of such thirty (30) day notice period. Purchaser shall not be liable for any damages in connection with such termination.
3. **Billing and Payment; Taxes.**
 - a. **Monthly Charges.** Purchaser shall pay Seller monthly for the electricity generated by the System and delivered to the Delivery Point at the \$/kWh rate for the applicable Contract Year shown in Exhibit 1 (the "Contract Price"). The monthly payment for such energy will be equal to the applicable \$/kWh rate multiplied by the number of kWh of electricity generated during the applicable month, as measured by the Meter (as defined in Section 11). Additional costs for items differing from the assumptions in Exhibit 1, Item 4 are Purchaser's responsibility.
 - b. **Monthly Invoices.** Seller shall invoice Purchaser monthly. Such monthly invoices shall state (i) the amount of electricity produced by the System and delivered to the Delivery Point, (ii) the rates applicable to, and charges incurred by, Purchaser under this Agreement and (iii) the total amount due from Purchaser.
 - c. **Payment Terms.** All amounts due under this Agreement are due and payable net thirty (30) days following receipt of invoice. Any undisputed portion of the invoice amount not paid within such thirty (30) day period shall accrue interest at the annual rate of two and one-half percent (2.5%) above the Prime Rate (but not to exceed the maximum rate permitted by law). All payments shall be made in U.S. dollars.
 - d. **Production Guarantee.** During the Term, Seller will, within one month following each anniversary of the Commercial Operation Date, prepare and send to Purchaser an annual statement detailing the kWh of electric energy produced by the Solar Facility during the last 36 months. If in any 3 year period (measured from Commercial Operation Date) the Solar Facility has produced less than 80% of the Estimated Solar Energy Output (as defined below), as reduced by the

degradation factor set forth in the cover page hereto (the “Degradation Factor”), (other than due to a Force Majeure Event), Seller will pay Purchaser a true-up payment equal to the number of kWh by which the actual output of the Solar Facility was less than 80% of the Estimated Solar Energy Output, as reduced by the Degradation Factor, multiplied by Price/kWh. For purposes of this Agreement, “Estimated Solar Energy Output” shall refer to the estimated solar energy output for the applicable year as mutually agreed upon by both parties prior to the Commercial Operation Date.

e. **Taxes.**

- i. **Purchaser’s Taxes.** Purchaser is responsible for: (1) payment of, or reimbursement of Seller, for all taxes assessed on the sale, delivery or consumption of electricity produced by the System or the interconnection of the System to the utility’s electricity distribution system; and (2) real property taxes.
- ii. **Seller’s Taxes.** Seller is responsible for payment of income taxes or similar taxes imposed on Seller’s revenues due to the sale of electricity under this Agreement (“**Seller’s Taxes**”). Purchaser and Seller shall each be responsible, respectively, for paying taxes, levies, assessments and other charges imposed, including franchise and similar taxes, on the business conducted by Purchaser or Seller, as applicable, at the Premises. Nothing in this Section shall be construed as making Seller liable for any portion of Purchaser’s income taxes in connection with the Premises or otherwise.

4. **RECs and Incentives.** As the owner of the System, Seller is entitled to the benefit of, and will retain all ownership interests in the RECs and Incentives. Purchaser shall cooperate with Seller in obtaining, securing and transferring any and all RECs and Incentives. Purchaser is not obligated to incur any out-of-pocket costs or expenses in connection with such actions unless reimbursed by Seller. Purchaser shall not make any filing or statements inconsistent with Seller’s ownership interests in the RECs and Incentives. If any RECs or Incentives are paid or delivered directly to Purchaser, Purchaser shall immediately pay or deliver such items or amounts to Seller.

“**Governmental Authority**” means any foreign, federal, state, local or other governmental, regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, court, tribunal, arbitrating body or other governmental authority having jurisdiction or effective control over a Party.

“**Incentives**” means (i) a payment paid by a utility or state or local Governmental Authority based in whole or in part on the cost or size of the System such as a rebate, (ii) a performance-based incentive paid as a stream of periodic payments by a utility, state or Governmental Authority based on the production of the System, (iii) investment tax credits, production tax credits, and similar tax credits, grants or other tax benefits under federal, state or local law, and (iv) any other attributes, commodity, revenue stream or payment in connection with the System (such as ancillary or capacity revenue), in each case of (i) through (iv) relating to the construction, ownership, use or production of energy from the System, provided that Incentives shall not include RECs.

“**Environmental Attributes**” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the System, the production of electrical energy from the System and its displacement of conventional energy generation, including (a) any avoided emissions of pollutants to the air, soil or water such as sulfur oxides (SO_x), nitrogen oxides (NO_x), carbon monoxide (CO) and other pollutants; (b) any avoided emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere; and (c) the reporting rights to any Governmental Authority related to these avoided emissions, such as Green Tag Reporting Rights and RECs. Green Tag Reporting Rights are the right of a party to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party, and include Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Environmental Attributes do not include Tax Incentives. Purchaser and Seller shall file all tax returns in a manner consistent with this [Section 4](#). Without limiting the generality of the foregoing, Environmental Attributes include carbon trading credits, renewable energy credits or certificates, emissions reduction credits, investment credits, emissions allowances, green tags, tradeable renewable credits and Green-e® products.

“**REC**” means a renewable energy credit or certificate under any state renewable portfolio, standard or federal renewable energy standard, voluntary renewable energy credit certified by a non-governmental organization, pollution allowance, carbon credit and any similar environmental allowance or credit and green tag or other reporting right under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program, in each case relating to the construction, ownership, use or production of energy from the System, provided that RECs shall not include Incentives.

5. **Project Completion.**

- a. **Conditions to Obligations.** Seller's obligation to install the System and sell electric energy generated by the System to Purchaser are conditioned on the completion of the following conditions to Seller's satisfaction on or before 180 days from the Effective Date:
- i. Seller shall have completed a physical inspection of the Premises including, if applicable, structural engineering and or geotechnical reviews as necessary to confirm the suitability of the Premises for the System;
 - ii. If subsurface excavation is necessary for the System, Seller shall have completed environmental due diligence with respect to the applicable site;
 - iii. Seller shall have received the Site License and any additional documents required thereunder (such documents together with the Site License, the "Real Property Documents") duly executed and delivered by Purchaser and any applicable third parties;
 - iv. Seller shall have received results, satisfactory to Seller, of a recent search of Purchaser's jurisdiction of all effective UCC fixture and real property filings that have been made with respect to the Facility;
 - v. Seller shall have confirmed that Seller will qualify for all applicable incentives and Tax Incentives;
 - vi. Seller shall have obtained all necessary zoning, land use, environmental, building and other permits from the applicable Governmental Authority necessary for Seller to perform its obligations under this Agreement;
 - vii. Seller shall have executed all necessary agreements with the Utility for interconnection of the System to the Facility electrical system and/or the Utility's electric distribution system;
 - viii. Seller shall have obtained such other information or completed such other matters as are reasonably consistent with Good Solar Industry Practices prior to mobilizing for construction of the System; and
 - ix. Seller shall have received:
 - (1) Purchaser's approval, in accordance with Section 6(b), of the System design and of material changes, if any, to the System design specifications set forth on Exhibit 2 (notwithstanding, government approvals of the System shall be required to go through the approval process pursuant to local laws and regulations);
 - (2) Proof of insurance for all insurance required to be maintained by Purchaser under this Agreement; and
 - (3) Written confirmation from any person holding a mortgage, lien or other encumbrance over the Premises, or any portion thereof, that such person will recognize Seller's rights to the System and under this Agreement.
- b. **Failure of Conditions.** If any of the conditions listed in subsection (a.i through a.ix) above are not satisfied by the 180th day after the Effective Date (the "Final Installation Commencement Date"), the Parties shall attempt in good faith to negotiate new dates for the satisfaction of the failed conditions, or, if the Parties are unable to negotiate such new dates within thirty (30) days of the Final Installation Commencement Date, either Party may terminate this Agreement upon ten (10) days written notice to the other Party and without any liability for such for such termination. Seller has the right but, not the obligation, to terminate if the Purchaser fails to provide the documents in subsection a.ix.1-3 by the Final Installation Commencement Date and Purchaser shall pay direct costs incurred by the Seller.
- c. **Project Development.** Seller shall diligently pursue the development and installation of the System, subject to Section 2(c), Section 11 and the remaining provisions of this Section 5.
- d. **Permits and Approvals.** Seller shall use commercially reasonable efforts to obtain the following at its sole cost and expense (each an "Approval"):
- i. any zoning, land use and building permits required for Seller to construct, install and operate the System; and
 - ii. any agreements and approvals from the Utility necessary in order to interconnect the System to the Utility's electric distribution system.

Purchaser shall cooperate with Seller's reasonable requests to assist Seller in obtaining such Approvals, including, without limitation the execution of documents required to be provided by Purchaser to the local Utility. Purchaser shall cooperate with Seller's reasonable requests to assist Seller in obtaining such Approvals, including, without limitation the execution of documents required to be provided by Purchaser to the local utility; provided further, if applicable law requires Purchaser to be the recipient of or party to any such Approvals, Purchaser shall use commercially reasonable efforts to apply for and obtain, or enter into, such Approvals in the name of Purchaser, subject to Seller's reimbursement of third-party costs and expenses reasonably incurred

by Purchaser in connection therewith, and Purchaser and Seller shall take such actions as are necessary for the rights and benefits of any such Approval to be exercisable and realized by Seller and the System. Such Approvals shall not include approvals for which Purchaser is the approving entity.

e. **Commencement of Installation.** Seller shall exercise commercially reasonable efforts to achieve Commencement of Installation of the System within 360 days after the Effective Date. “**Commencement of Installation**” means the date that Seller or its installation contractor has begun physical installation of the System on the Premises.

f. **Force Majeure.**

i. **Force Majeure Event.** If either Party is unable to timely perform any of its obligations (other than payment obligations) under this Agreement in whole or in part due to a Force Majeure Event, that Party will be excused from performing such obligations for the duration of the time that such Party remains affected by the Force Majeure Event; provided, that such Party uses commercially reasonable efforts to mitigate the impact of the Force Majeure Event and resumes performance of its affected obligations as soon as reasonably practical. The Party affected by the Force Majeure Event shall notify the other Party as soon as reasonably practical after the affected Party becomes aware that it is or will be affected by a Force Majeure Event. If the Force Majeure Event occurs during the Term and impacts the ability of the System to deliver electricity to the Delivery Point, the Term will be extended day for day for each day delivery is suspended due to the Force Majeure Event.

ii. **Extended Force Majeure.** If a Force Majeure Event notified by either Party under paragraph (i) above continues for a consecutive period of one hundred eighty (180) days or more within a twelve (12) month period, then either Party may terminate this Agreement without either Party having further liability under this Agreement except: (a) liabilities accrued prior to termination, (b) Seller shall remove the System as required under Section 9 (but Purchaser shall reimburse Seller for Seller’s removal costs if the Force Majeure Event affects Purchaser and Purchaser elects to terminate the Agreement) and (b) if Purchaser elects to terminate the Agreement in accordance with this Section, Purchaser shall pay the applicable Termination Payment. Notwithstanding the foregoing, in the case of a Force Majeure Event where Seller is the claiming Party, if the Force Majeure Event can be corrected through repair or restoration of the System or other actions by Seller and, prior to expiration of the initial one hundred eighty (180)-day period, Seller provides written evidence to Purchaser that it is diligently pursuing such actions, then Purchaser shall not have the right to terminate this Agreement so long as Seller continues to diligently pursue such actions.

iii. **“Force Majeure Event”** means any event or circumstance beyond the control of and without the fault or negligence of a Party, including, without limitation, failure or interruption of the production, delivery or acceptance of electricity due to: an act of god; war (declared or undeclared); sabotage; piracy; riot; insurrection; widespread civil unrest or disturbance; military or guerilla action; terrorism; economic sanction or embargo; widespread civil strike, work stoppage, or lock-out; explosion; fire; earthquake; hurricane; flood; lightning; the binding order of any Governmental Authority; the failure to act on the part of any Governmental Authority (including, without limitation delays in permitting not caused by actions or omissions of the Party seeking such permit); unavailability of electricity from the utility grid; transportation and shipping delays (including port congestion) associated with module procurement due to tariff restrictions or other actions or inactions of any Governmental Authority; and failure or unavailability of equipment, supplies or products outside of Seller’s control or due to a Force Majeure Event.

g. **Extension of Time.** If Seller is delayed in achieving Commencement of Installation due to a Force Majeure Event, the time for achievement of Commencement of Installation will be automatically extended to account for the impact of the delay.

h. **Commercial Operation.** Seller shall notify Purchaser in writing when it has achieved Commercial Operation (the date of such notice, the “**Commercial Operation Date**”). “**Commercial Operation**” means that the System is mechanically complete, capable of providing electricity to the Delivery Point at the nameplate capacity specified in Exhibit 2 and has permission to operate from the relevant Governmental Authority. Seller shall provide Purchaser with documentation to evidence that the System is ready to begin Commercial Operation upon Purchaser’s reasonable request.

6. **Installation, Operation and Maintenance.**

- a. **Seller's General Obligations Regarding the System.** Subject to the terms and conditions of this Agreement, Seller shall design, engineer, install, commission, monitor, operate and maintain the System, in each case in a good and workmanlike manner and in accordance with applicable law and prudent solar industry practices in the state in which the Premises are located. The System shall comply with all applicable rules, regulation and local building codes. Seller shall design and engineer the System (i) taking into consideration Purchaser's historical electrical generation requirements, (ii) based on inspections of the Premises and studies undertaken by Seller, and (iii) in compliance with any laws and governmental approvals provided by Purchaser to Seller. Seller shall prepare and submit to Purchaser the draft final specifications for the System, including product data on all equipment proposed for installation no later than 30 business days following the Effective Date.
- b. **System Design Approval.**
- i. Seller shall provide Purchaser with a copy of the System design for approval prior to commencement of construction. Purchaser shall have ten (10) days after receipt to approve or disapprove the design. Failure by Purchaser to respond within such ten (10) day period shall be deemed approval of the design. If Purchaser disapproves the design, Seller shall modify the design and resubmit it for Purchaser's approval. If the System design modifications requested by Purchaser render the System non-viable, Seller may terminate this Agreement under Section 2(c) above. If solar energy panels and other System assets documented in Exhibit 2 (such panels and System assets, the "System Equipment") are not readily available when Seller installs the System, Seller may make substitutions of such System Equipment at Seller's sole discretion; provided Seller shall obtain Purchaser's prior consent for System Equipment substitutions that would materially affect the appearance or capacity of the System, or require a change to the Contract Price.
- ii. The description of the approved System design shall be incorporated into Exhibit 2 and Schedule A to Exhibit 2 shall be updated to reflect the final approved drawing depicting the Premises, Delivery Point, System design and location. Upon the completion of System installation, Seller shall provide Purchaser with "as-built" drawings setting forth in detail the location of all components of the System. Purchaser and Seller agree to treat such plans and specifications as well as the "as-built" drawings as Confidential Information of Seller, in accordance with Section 18(a).
- c. **System Repair and Maintenance.** Seller may suspend delivery of electricity from the System to the Delivery Point for the purpose of maintaining and repairing the System; provided that Seller shall use commercially reasonable efforts to (i) minimize any interruption in service to the Purchaser, and (ii) limit any such suspension of service to weekend or off-peak hours. Scheduled and unscheduled maintenance and repairs shall be undertaken at Seller's sole cost and expense, except that Purchaser shall reimburse Seller for the reasonable cost of any repairs or maintenance resulting from damage caused by Purchaser, its agents, employees or contractors.
- d. **Outages.** Upon Purchaser's written request, Seller shall take the System off-line for a total of forty-eight (48) daylight hours (as defined by the United States National Weather Service in the area where the System is located) during each Contract Year (each event an "Outage" and the forty-eight (48) hour period the "Outage Allowance"). The Outage Allowance includes all Outage hours undertaken by Seller for maintenance or repairs for which Purchaser is responsible pursuant to Section 6(c) or requested by Purchaser under this Section 6(d) (other than due to the fault or negligence of Seller). Purchaser's request shall be delivered at least forty-eight (48) hours in advance. Purchaser is not obligated to accept or pay for electricity from the System for Outages up to the annual Outage Allowance. If the aggregate hours for Outages exceed the Outage Allowance in a given Contract Year, Seller shall reasonably estimate the amount of electricity that would have been delivered to Purchaser during such excess Outages and Purchaser shall pay Seller for such amount in accordance with this Agreement.
- e. **Maintenance of Premises.** Purchaser shall, at its sole cost and expense, maintain the Premises and Improvements in good condition and repair. Purchaser, to the extent within its reasonable control, (i) shall ensure that the Premises remains interconnected to the local Utility grid at all times; and (ii) shall not permit cessation of electric service to the Premises from the local utility. Purchaser is fully responsible for, and shall properly maintain in full working order and good repair, the electrical infrastructure on the Purchaser's side of the Delivery Point, including all of Purchaser's equipment that utilizes the System's outputs. Purchaser shall use commercially reasonable efforts to cooperate with Seller to comply with any technical standard of the Utility providing electrical power to the Purchaser, and does not need to receive permission to operate from the Utility.
- f. **No Alteration of Premises.** Not less than thirty (30) days prior to making any alterations or repairs to the Premises (except for emergency repairs) or any Improvement which may adversely affect the operation and maintenance of the System, Purchaser shall inform Seller in writing and, thereafter, shall use commercially reasonable efforts to conduct such repairs, alterations or Improvements in compliance with any reasonable request made by Seller within ten (10) days after having received such written request to mitigate any adverse effect. If any repair, alteration or Improvement

result in a permanent and material adverse economic impact on the System, Purchaser may request relocation of the System under Section 8 hereof. To the extent that temporary disconnection or removal of the System is necessary to perform such alterations or repairs, Seller shall perform such work, and any re-connection or re-installation of the System, at Purchaser's cost, subject to Sections 6(c) and 6(d). Seller shall make any alterations and repairs in a good and workmanlike manner, in compliance with all applicable laws, codes and permits.

7. **Miscellaneous Rights and Obligations of the Parties.**

- a. Reserved.
- b. **OSHA Compliance.** Each Party shall comply with all Occupational Safety and Health Act (OSHA) requirements and other similar applicable safety laws and codes with respect to such Party's performance under this Agreement.
- c. **Safeguarding the Premises.** Purchaser shall maintain the physical security of the Premises and Improvements in a manner to be expected of a reasonable and prudent owner or lessee of premises and improvements similar to the Premises and Improvements in nature and location. Purchaser shall not conduct or permit activities on, in or about the Premises or the Improvements that have a reasonable likelihood of causing damage, impairment or otherwise adversely affecting the System. Purchaser shall indemnify Seller for any loss or damage to the System to the extent caused by or arising out of (i) Purchaser's breach of its obligations under this Section or (ii) the acts or omissions of Purchaser or its employees, agents, invitees or separate contractors.
- d. **Insolation.** Purchaser acknowledges that unobstructed access to sunlight ("Insolation") is essential to Seller's performance of its obligations and a material term of this Agreement. Purchaser shall not, to the extent within its reasonable control, cause or permit any interference with the System's Insolation, and shall ensure that vegetation on the Premises adjacent to the System is regularly pruned or otherwise maintained to prevent interference with the System's Insolation. If Purchaser discovers any activity or condition that could diminish the Insolation of the System, Purchaser shall immediately notify Seller and cooperate with Seller in preserving and restoring the System's Insolation levels as they existed on the Effective Date.
- e. **Use and Payment of Contractors and Subcontractors.** Seller shall use suitably qualified, experienced and licensed contractors and subcontractors to perform its obligations under this Agreement. However, Seller shall be responsible for the quality of the work performed by its contractors and subcontractors. Seller shall pay when due all valid charges from all contractors, subcontractors and suppliers supplying goods or services to Seller under this Agreement.
- f. **Liens.**
 - i. **Lien Obligations.** Purchaser shall not directly or indirectly cause, create, incur, assume or allow to exist any mortgage, pledge, lien, charge, security interest, encumbrance or other claim of any nature, except such encumbrances as may be required to allow Seller access to the Premises, (each a "Lien") on or with respect to the System. Seller shall not directly or indirectly cause, create, incur, assume or allow to exist any Lien on or with respect to the Premises or the Improvements, other than those Liens which Seller is permitted by law to place on the Premises due to non-payment by Purchaser of amounts due under this Agreement. Each Party shall immediately notify the other Party in writing of the existence of any such Lien following discovery of same, and shall promptly (and in all events within thirty (30) days) cause the same to be discharged and released of record without cost to the other Party; provided, however, that each indemnifying Party has the right to contest any such Lien, so long as it provides a statutory bond or other reasonable assurances of payment that either removes such Lien from title to the affected property, or that assures that any adverse judgment with respect to such Lien shall be paid without affecting title to such property.
 - ii. **Lien Indemnity.** Each Party shall indemnify the other Party from and against all claims, losses, damages, liabilities and expenses resulting from any Liens filed against such other Party's property as a result of the indemnifying Party's breach of its obligations under Section 7(f)(i).
- g. **Cooperation.** Purchaser shall (i) cooperate with Seller's reasonable requests for information and access to the Facility for purposes of designing, installing, and maintaining the System and (ii) cooperate with all of Seller's requests to assist Seller in obtaining any necessary agreements, permits and approvals pursuant to Section 5(d). Purchaser's failure to provide such cooperation shall be a default under this Agreement subject to Section 11(a)(ii).

- h. Maintenance of Facility.** Purchaser shall, at all times at Purchaser's sole cost and expense, maintain the Premises (including, without limitation, the applicable portions of the roof and raceways and risers of the Premises) in good condition and repair and in a manner sufficient to support the System. Regardless of whether maintenance and repairs are made in the ordinary course or in an emergency, all maintenance and repairs shall be carried out in a manner that minimizes the impact on the System. Purchaser is fully responsible for the maintenance and repair of the Premises' electrical system and of all of Purchaser's equipment that utilizes the System's outputs. Except in the event of a Seller caused outage including Seller's suspension of performance or any Purchaser outage that is within Purchaser's Outage Allowance, a failure of the Premises to accept energy produced by the System (whether due to a failure in Purchaser's electrical system, maintenance or otherwise) will not excuse Purchaser from paying Seller for the energy production of the System that, in Seller's reasonable estimation as provided below, would have been delivered to Purchaser from the operation of the System in the absence of a failure of the Premises to accept the energy produced and delivered by the System and compensating Seller for lost revenues or other benefits from Environmental Attributes and Tax Incentives from such energy, including any Environmental Attributes and Tax Incentives already claimed but subject to recapture (and any fees and penalties associated with such recapture) ("**Deemed Delivered Energy**"). Purchaser shall have a scheduled Outage Allowance in accordance with parameters set forth in Section 6(p) above. Seller's estimation of energy production for the purposes of determining the Deemed Delivered Energy will be based on (a) past energy output delivery by the System during a similar period and under similar conditions if such information is available or (b) if such information is not available, based upon any other relevant information or bases which may reasonably be available to Seller and used for such purpose in the circumstances and consistent with Good Solar Industry Practices. Purchaser shall promptly notify Seller of any condition at the Premises of which it is aware pertaining to any damage to or loss of use of the System or that could reasonably be expected to adversely affect the System.
- i. Breakdown Notice.** Purchaser shall notify Seller within twenty-four (24) hours following the discovery by Purchaser of (i) any material malfunction in the operation of the System; or (ii) any occurrences that could reasonably be expected to adversely affect the System. Purchaser shall notify Seller immediately upon (i) an interruption in the supply of electrical energy from the System; or (ii) the discovery of an emergency condition respecting the System. Purchaser and Seller shall each designate personnel and establish procedures such that each Party may provide notice of such conditions requiring Seller's repair or alteration at all times, twenty-four (24) hours per day, including weekends and holidays.

8. Relocation of System.

If, during the Term, Purchaser ceases to conduct business operations at the Premises or vacates the Premises; the Premises have been destroyed; or the Purchaser is otherwise unable to continue to host the System or accept the electricity delivered by the System for any other reason (other than a Default Event by Seller), Purchaser may propose in writing the relocation of the System, at Purchaser's cost, in lieu of termination of the Agreement by Seller for a Default Event by Purchaser. If such proposal is practically feasible and preserves the economic value of the agreement for Seller, the Parties shall seek to negotiate in good faith an agreement for the relocation of the System. If the Parties reach agreement on relocation of the System, Purchaser shall be obligated to provide (a) a new executed and notarized agreement covering the substitute premises in form and content substantially similar to the Site License, and (b) any new consents, estoppels, or acknowledgments reasonably required by Financing Parties in connection with the substitute premises. If the Parties are unable to reach agreement on relocation of the System within sixty (60) days after the date of receipt of Purchaser's proposal, Seller may terminate this Agreement pursuant to Section 11(b)(ii).

9. Removal of System upon Termination or Expiration.

Upon the expiration or earlier termination of this Agreement, Seller shall, at its expense (unless expressly provided otherwise in this Agreement), remove all of the tangible property comprising the System from the Premises with a targeted completion date that is no later than ninety (90) days after the expiration of the Term. The portion of the Premises where the System is located shall be returned to substantially its original condition (excluding ordinary wear and tear), including the removal of System mounting pads or other support structures, and

repair and restoration of the roof and the roof membrane. If the System is installed on the roof of an Improvement, Seller's warranties under Section 12(c)(i) shall apply, as applicable. Purchaser must provide sufficient access, space and cooperation as reasonably necessary to facilitate System removal. If Seller fails to remove or commence substantial efforts to remove the System by such agreed upon date, Purchaser may, at its option, to remove the System to a public warehouse and restore the Premises to its original condition (other than ordinary wear and tear) at Seller's cost.

10. Measurement.

- a. **Meter.** The System's electricity output during the Term shall be measured by Seller's meter, which shall be a revenue grade meter that meets ANSI-C12.20 standards for accuracy (the "**Meter**"). Purchaser shall have access to the metered energy output data via the Also Energy monitoring system installed and maintained by Seller as part of the System.
- b. **Meter Calibration.** Seller shall calibrate the Meter in accordance with manufacturer's recommendations. Notwithstanding the foregoing, Purchaser may install, or cause to be installed, its own revenue-grade meter at the same location as the Meter. If there is a discrepancy between the data from Purchaser's meter and the data from the Meter of greater than two percent (2%) over the course of a Contract Year, then Purchaser may request that Seller calibrate the Meter at Purchaser's cost. If, upon testing, Purchaser's meter or the Meter is found to be inaccurate by an amount exceeding plus or minus two percent (2%), then the Party whose meter is inaccurate by such percent shall be promptly repair or adjust its meter to record properly. If, upon testing, the Meter is found to be accurate or to be inaccurate by an amount less than plus or minus two percent (2%), then Purchaser shall be responsible for the cost of such calibration testing. If no reliable information exists as to the period over which the Meter registered inaccurately, it shall be assumed for purposes of correcting previously delivered invoices that such inaccuracy began at the earlier of: (a) a point in time midway between the testing date and the next previous date on which the Meter was tested and found to be accurate, and (b) six months. If, upon testing, the Meter is found to be in error by an amount exceeding plus or minus two percent (2%), then the payments for electric energy delivered since the previous test of the Meter shall be adjusted to reflect the corrected measurements. If the difference in the previously invoiced amounts minus the adjusted payment is a positive number, that difference will offset amounts owed by Purchaser to Seller in subsequent month(s). If the difference is a negative number, the difference shall be added to the next month's invoice and paid by the Purchaser to the Seller on the date of such invoice.

11. **Default, Remedies and Damages.**

- a. **Default.** Any Party that fails to perform its responsibilities as listed below or experiences any of the circumstances listed below is deemed a "**Defaulting Party**", the other Party is the "**Non-Defaulting Party**" and each of the following is a "**Default Event**":
 - i. failure of a Party to pay any amount due and payable under this Agreement, other than an amount that is subject to a good faith dispute, within ten (10) days following receipt of written notice from the Non-Defaulting Party of such failure to pay ("**Payment Default**");
 - ii. failure of a Party to perform any material obligation under this Agreement not addressed elsewhere in this Section 11(a) within thirty (30) days following receipt of written notice from the Non-Defaulting Party demanding such cure; provided, that if the Default Event cannot reasonably be cured within thirty (30) days and the Defaulting Party has demonstrated prior to the end of that period that it is diligently pursuing such cure, the cure period will be extended for a further reasonable period of time, not to exceed ninety (90) days;
 - iii. any representation or warranty given by a Party under this Agreement was incorrect in any material respect when made and is not cured within thirty (30) days following receipt of written notice from the Non-Defaulting Party demanding such cure;
 - iv. a Party becomes insolvent or is a party to a bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or any general assignment for the benefit of creditors or other similar arrangement or any event occurs or proceedings are taken in any jurisdiction with respect to the Party which has a similar effect (or, if any such actions are initiated by a third party, such action(s) is(are) not dismissed within sixty (60) days); or,
 - v. in the case of Purchaser as the Defaulting Party only, Purchaser (A) loses its rights to occupy and enjoy or otherwise access the Premises as required for Seller to perform its obligations under this Agreement, unless (I) the Parties agree upon a relocation under Section 8 above, or (II) Purchaser pays the Termination Payment determined under Section 7 of Exhibit 1 within thirty (30) days after written request by Seller; or (B) prevents Seller from performing any material obligation under this Agreement unless such action by Purchaser is (I) is permitted under this Agreement, or (II) is cured within five (5) days after written notice thereof from Seller.

b. Remedies.

- i. **Suspension.** Upon the occurrence and during the continuation of a Default Event by Purchaser, including a Payment Default, Seller may suspend performance of its obligations under this Agreement until the earlier to occur of the date (a) that Purchaser cures the Default Event in full, or (b) of termination of this Agreement. Seller's rights under this Section 11(b)(i) are in addition to any other remedies available to it under this Agreement, at law or in equity.
- ii. **Termination.** Upon the occurrence and during the continuation of a Default Event, the Non-Defaulting Party may terminate this Agreement, by providing five (5) days prior written notice to the Defaulting Party; provided, that, in the case of a Default Event under Section 11(a)(iv), the Non-Defaulting Party may terminate this Agreement immediately.
- iii. **Damages Upon Termination by Default.** Upon a termination of this Agreement pursuant to Section 11(b)(ii), the Defaulting Party shall pay a termination payment to the Non-Defaulting Party determined as follows (the "**Termination Payment**"):
 - (1) **Termination by Seller.** If Seller terminates this Agreement for a Default Event by Purchaser, the Termination Payment payable to Seller shall be equal to the sum of (i) the applicable amount set forth in the Termination Payment Schedule set forth as Section 7 of Exhibit 1, and (ii) any other amounts previously accrued under this Agreement and then owned by Purchaser to Seller. Such Termination Payment shall be paid by Purchaser no later than 30 days after Notice of termination to Purchaser pursuant to Section 11(b)(ii).
 - (2) **Termination by Purchaser.** If Seller is the Defaulting Party and Purchaser terminates this Agreement, the Termination Payment to Purchaser will be equal to the sum of (i) the present value of the excess, if any, of the reasonably expected cost of electricity from the utility over the Contract Price for the reasonably expected production of the System for the remainder of the Initial Term or the then current Additional Term, as applicable; (ii) all direct costs reasonably incurred by Purchaser by reason of the termination; and (iii) any and all other amounts previously accrued under this Agreement and then owed by Seller to Purchaser. The Termination Payment determined under this Section 11(b)(iii)(2) cannot be less than zero.
- iv. **Liquidated Damages.** The Parties agree that, if a Party terminates this Agreement prior to the expiration of the Term pursuant to Section 11(b)(ii), actual damages would be difficult to ascertain, and the Termination Payment determined in accordance with Section 11(b)(iii) is a reasonable approximation of the damages suffered by Seller as a result of early termination of this Agreement and is not a penalty.

c. Obligations Following Termination. If a Party terminates this Agreement pursuant to Section 11(b)(ii), then following such termination, Seller shall remove the equipment constituting the System in compliance with Section 9 above at the sole cost and expense of the Defaulting Party, *provided, however* that Seller shall not be required to remove the System following the occurrence of a Default Event by Purchaser pursuant to Section 11(a)(i), unless Purchaser pre-pays the cost of restoration reasonably estimated by Seller.

- i. **Reservation of Rights.** Except in the case of a termination under Section 11(b)(ii) and payment of a Termination Payment, if any, determined pursuant to Section 11(b)(ii), nothing in this Section 11 limits either Party's right to pursue any remedy under this Agreement, at law or in equity, including with respect to the pursuit of an action for damages by reason of a breach or Default Event under this Agreement.
- ii. **Mitigation Obligation.** Regardless of whether this Agreement is terminated for a Default Event, the Non-Defaulting Party must make commercially reasonable efforts to mitigate its damages as the result of such Default Event; provided that such obligation shall not reduce Purchaser's obligation to pay the full Termination Payment set forth in Section 7 of Exhibit 1 following a Default Event by Purchaser.
- iii. **No Limitation on Payments.** Nothing in this Section 11 excuses a Party's obligation to make any payment when due under this Agreement, including with respect to payments for electricity that would have been delivered to Purchaser but for a Purchaser breach or Default Event.

12. Representations and Warranties.

- a. **General Representations and Warranties.** Each Party represents and warrants to the other the following:
- i. Such Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation; the execution, delivery and performance by such Party of this Agreement have been duly authorized by all necessary corporate, partnership or limited liability company action, as applicable, and do not and will not violate any law; and this Agreement is the valid obligation of such Party, enforceable against such Party in accordance with its terms (except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws now or hereafter in effect relating to creditors' rights generally).
 - ii. Such Party has obtained all licenses, authorizations, consents and approvals required by any Governmental Authority or other third party and necessary for such Party to own its assets, carry on its business and to execute and deliver this Agreement; and such Party is in compliance with all laws that relate to this Agreement in all material respects.
- b. **Purchaser's Representations and Warranties.** Purchaser represents and warrants to Seller the following:
- i. **Licenses.** (a) Purchaser has title to or a leasehold or other valid property interest in the Premises such that Purchaser has the full right, power and authority to grant the Site License in Section 7(a), (b) such grant of the Site License does not violate any law, ordinance, rule or other governmental restriction applicable to Purchaser or the Premises and is not inconsistent with and will not result in a breach or default under any agreement by which Purchaser is bound or that affects the Premises.
 - ii. **Other Agreements.** Neither the execution and delivery of this Agreement by Purchaser nor the performance by Purchaser of any of its obligations under this Agreement conflicts with or will result in a breach or default under any agreement or obligation to which Purchaser is a party or by which Purchaser is bound.
 - iii. **Accuracy of Information.** All information provided by Purchaser to Seller, as it pertains to (a) the Premises, (b) the Improvements on which the System is to be installed, if applicable, (c) Purchaser's planned use of the Premises and any applicable Improvements, and (d) Purchaser's estimated electricity requirements, is accurate in all material respects.
 - iv. **Purchaser Status.** Purchaser is not a public utility or a public utility holding company and is not subject to regulation as a public utility or a public utility holding company.
 - v. **Limit on Use.** No portion of the electricity generated by the System shall be used to heat a swimming pool.
- c. Reserved.
- d. **NO OTHER WARRANTY.** THE WARRANTIES SET FORTH IN SECTIONS 12(a) AND 12(c) OF THIS AGREEMENT ARE PURCHASER'S SOLE AND EXCLUSIVE BASIS FOR ANY CLAIM OR LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS SECTION 12, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. OTHER THAN AS EXPRESSLY SET FORTH IN SECTIONS 12(a) AND 12(c), NO WARRANTY, WHETHER STATUTORY, WRITTEN, ORAL, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, APPLIES UNDER THIS AGREEMENT.

13. **Insurance.**

- a. **Insurance Coverage.** At all times during the Term, the Parties shall maintain the following insurance, as applicable:
- i. **Seller's Insurance.** Seller shall maintain or ensure the following is maintained (a) property insurance on the System for the replacement cost thereof, (b) commercial general liability insurance with coverage of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate, (c) employer's liability insurance with coverage of at least \$1,000,000 bodily injury by disease, (d) automobile liability insurance if the use of motor vehicles is required, (e) Umbrella/Excess liability with limits of at least \$5,000,000 for each occurrence, and (f) workers' compensation insurance as required by law. Seller's coverage may be provided as part of an enterprise insurance

program.

- ii. **Purchaser's Insurance.** Purchaser shall maintain commercial general liability insurance with coverage, written on "occurrence" policy forms, for premises/operations, products/completed operations, property damage, contractual liability and bodily injury, with no exclusions for explosion, collapse or underground perils, with primary coverage limits of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate.

b. Policy Provisions.

- i. Each Party's insurance policies shall (i) contain a provision whereby the insurer agrees to give the other Party at least thirty (30) days (ten (10) days for non-payment of premiums) written notice before the insurance is cancelled, or terminated, (ii) be written on an occurrence basis, and (iii) be maintained with companies either rated no less than A-VII as to Policy Holder's Rating in the current edition of A.M. Best's Insurance Guide or otherwise reasonably acceptable to the other Party.
- ii. Commercial general liability policies shall also include a separation of insureds clause with no exclusions or limitations on cross liability. However, if such insurance is written on a "claims-made" form following termination of the Agreement, coverage shall survive for a period of not less than three (3) years. Coverage shall provide for a retroactive date of placement coinciding with the Effective Date. All policies required in this Section shall be considered primary without contribution from any other policies a party or its successors and assigns may hold.

- c. **Certificates.** Upon the other Party's request, each Party shall deliver to the other Party certificates of insurance evidencing the above required coverage. A Party's receipt, review or acceptance of such certificate shall in no way limit or relieve the other Party of the duties and responsibilities to maintain insurance as set forth in this Agreement.

- d. **Deductibles.** Each Party shall pay its own insurance deductibles, except in the case of claims (i) resulting from a breach of this Agreement, in which case the breaching Party is responsible for payment of the non-breaching Party's deductible for any responding insurance, and (ii) covered by an indemnity set forth in this Agreement.

- e. **Waiver of Subrogation.** Seller and Purchaser each waive any and all claims and its right of recovery against the other for any loss of, or damage to, such Party's property to the extent that such loss or damage is insured, or could be insured by an all risk property insurance policy applicable to the System, Premises or other property of such Party. Each Party shall obtain a waiver or subrogation, and any special endorsements if required by its insurance carriers, whereby said insurance carriers waive their rights of subrogation against the other Party as required by this Section 13(e). The intent of this provision is that each Party shall look solely to its own insurance with respect to property damage or destruction which can be covered by all risks insurance, except as otherwise expressly set forth in this Section 13(e), and to waive fully, and for the benefit of the other Party, any rights and/or claims which might give rise to a right of subrogation in favor of any of such Party's insurance carriers.

14. Ownership.

a. Ownership of System.

- i. **Ownership; Personal Property.** Throughout the Term, Seller shall be the legal and beneficial owner of the System, and all RECs and Incentives, and the System will remain the personal property of Seller and will not attach to or be deemed a part of, or fixture to, the Premises or any Improvement on which the System is installed. Each of the Seller and Purchaser agree that the Seller is the tax owner of the System and all tax filings and reports shall be filed in a manner consistent with this Agreement. The System will at all times retain the legal status of personal property as defined under Article 9 of the Uniform Commercial Code.
- ii. **Notice to Purchaser Lienholders.** Purchaser shall use commercially reasonable efforts to place all parties having a Lien on the Premises or any Improvement on which the System is installed on notice of the ownership of the System and the legal status or classification of the System as personal property. If any mortgage or fixture filing against the Premises could reasonably be construed as prospectively attaching to the System as a fixture of the Premises, Purchaser shall provide a disclaimer or release from such lienholder.
- iii. **Fixture Disclaimer.** If Purchaser is the fee owner of the Premises, Purchaser consents to the filing of a

disclaimer of the System as a fixture of the Premises in the office where real estate records are customarily filed in the jurisdiction where the Premises are located. If Purchaser is not the fee owner, Purchaser shall obtain such consent from such owner. For the avoidance of doubt, in either circumstance Seller has the right to file such disclaimer.

- iv. **SNDA**. Upon request, Purchaser shall deliver to Seller a subordination and non-disturbance agreement in a form mutually acceptable to Seller and the provider of the subordination and non-disturbance agreement from the owner of the Premises (if the Premises are leased by Purchaser), any mortgagee with a Lien on the Premises, and other Persons holding a similar interest in the Premises.
- v. **Eviction Notice**. To the extent that Purchaser does not own the Premises or any Improvement on which the System is installed, Purchaser shall provide to Seller immediate written notice of receipt of notice of eviction from the Premises or applicable Improvement or termination of Purchaser's lease of the Premises and/or Improvement.

15. **Indemnification and Limitations of Liability.**

- a. **General**. Each Party (the "**Indemnifying Party**") shall defend, indemnify and hold harmless the other Party, its affiliates and the other Party's and its affiliates' respective directors, officers, shareholders, partners, members, agents and employees (collectively, the "**Indemnified Parties**"), from and against any loss, damage, expense, liability and other claims, including court costs and reasonable attorneys' fees (collectively, "**Liabilities**") resulting from (1) any Claim (as defined in Section 15(b)) relating to the Indemnifying Party's breach of any representation or warranty set forth in Section 12, and (2) injury to or death of persons, and damage to or loss of property to the extent caused by or arising out of the negligent acts or omissions of, or the willful misconduct of, fraud by, or criminal act of the Indemnifying Party (or its contractors, agents or employees) in connection with this Agreement; provided, however, that nothing herein will require the Indemnifying Party to indemnify the Indemnified Parties for any Liabilities to the extent caused by or arising out of the negligent acts or omissions of, or the willful misconduct of, fraud by, or criminal acts of, an Indemnified Party. This Section 15(a) does not apply to Liabilities arising out of or relating to any form of Hazardous Substances or other environmental contamination, such matters being addressed exclusively by Section 15(c).
- b. **Notice and Participation in Third Party Claims**. The Indemnified Party shall give the Indemnifying Party written notice with respect to any Liability asserted by a third party (a "**Claim**"), as soon as possible upon the receipt of information of any possible Claim or of the commencement of such Claim. The Indemnifying Party may assume the defense of any Claim, at its sole cost and expense, with counsel designated by the Indemnifying Party and reasonably satisfactory to the Indemnified Party. The Indemnified Party may, however, select separate counsel if both Parties are defendants in the Claim and such defense or other form of participation is not reasonably available to the Indemnifying Party. The Indemnifying Party shall pay the reasonable attorneys' fees incurred by such separate counsel until such time as the need for separate counsel expires. The Indemnified Party may also, at the sole cost and expense of the Indemnifying Party, assume the defense of any Claim if the Indemnifying Party fails to assume the defense of the Claim within a reasonable time. Neither Party may settle any Claim covered by this Section 15(b) unless it has obtained the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. The Indemnifying Party has no liability under this Section 15(b) for any Claim for which such notice is not provided if the failure to give notice prejudices the Indemnifying Party.
- c. **Environmental Indemnification.**
 - i. Reserved.
 - ii. **Purchaser Indemnity**. Purchaser shall indemnify, defend and hold harmless all of Seller's Indemnified Parties from and against all Liabilities arising out of or relating to the existence at, on, above, below or near the Premises of any Hazardous Substance, except to the extent deposited, spilled or otherwise caused by Seller or any of its contractors, agents or employees.
 - iii. **Notice**. Each Party shall promptly notify the other Party if it becomes aware of any Hazardous Substance on or about the Premises generally or any deposit, spill or release of any Hazardous Substance. "**Hazardous Substance**" means any chemical, waste or other substance (a) which now or hereafter becomes defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "pollution," "pollutants," "regulated substances," or words of similar import under any laws pertaining to the environment,

health, safety or welfare, (b) which is declared to be hazardous, toxic, or polluting by any Governmental Authority, (c) exposure to which is now or hereafter prohibited, limited or regulated by any Governmental Authority, (d) the storage, use, handling, disposal or release of which is restricted or regulated by any Governmental Authority, or (e) for which remediation or cleanup is required by any Governmental Authority.

d. **Limitations on Liability.**

i. **No Consequential Damages.** Except with respect to indemnification of third-party claims pursuant to this Section 15, neither Party nor its directors, officers, shareholders, partners, members, agents and employees subcontractors or suppliers will be liable for any indirect, special, incidental, exemplary, or consequential loss or damage of any nature (including, without limitation, lost revenues, lost profits, lost business opportunity or any business interruption) arising out of their performance or non-performance hereunder even if advised of such. Notwithstanding the previous sentence, the Termination Payment set forth in Section 7 of Exhibit 1 and Section 11(b)(iii)(2) shall be deemed to be direct, and not indirect or consequential damages for purpose of this Section 15(d)(i).

e. **EXCLUSIVE REMEDIES.** TO THE EXTENT THAT THIS AGREEMENT SETS FORTH SPECIFIC REMEDIES FOR ANY CLAIM OR LIABILITY, SUCH REMEDIES ARE THE AFFECTED PARTY'S SOLE AND EXCLUSIVE REMEDIES FOR SUCH CLAIM OR LIABILITY, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE.

f. **Comparative Negligence.** Where negligence is determined to have been joint, contributory or concurrent, each Party shall bear the proportionate cost of any Liability.

16. **Change in Law.**

a. **Impacts of Change in Law.** If Seller determines that a Change in Law has occurred or will occur that has or will have a material adverse effect on Seller's rights, entitlement, obligations or costs under this Agreement, then Seller may so notify the Purchaser in writing of such Change in Law. Within thirty (30) days following receipt by the Purchaser of such notice, the Parties shall meet and attempt in good faith to negotiate such amendments to this Agreement as are reasonably necessary to preserve the economic value of this Agreement to both Parties. If the Parties are unable to agree upon such amendments within such thirty (30) day period, then Seller may terminate this Agreement and remove the System and restore the Premises in accordance with Section 9 without either Party having further liability under this Agreement except with respect to liabilities accrued prior to the date of termination.

b. **Illegality or Impossibility.** If a Change in Law renders this Agreement, or Seller's performance of this Agreement, either illegal or impossible, then Seller may terminate this Agreement immediately upon notice to Purchaser without either Party having further liability under this Agreement except with respect to liabilities accrued prior to the date of termination.

c. **"Change in Law"** means (i) the enactment, adoption, promulgation, modification or repeal after the Effective Date of any applicable law or regulation, (ii) the imposition of any material conditions on the issuance or renewal of any applicable permit after the Effective Date (notwithstanding the general requirements contained in any applicable Permit at the time of application or issue to comply with future laws, ordinances, codes, rules, regulations or similar legislation), or (iii) a change in any utility rate schedule or tariff approved by any Governmental Authority.

17. **Assignment and Financing.**

a. **Assignment.**

i. **Restrictions on Assignment.** Subject to the remainder of this Section 17(a), this Agreement may not be assigned in whole or in part by either Party without the prior written consent of the other Party, which consent may not be unreasonably withheld or delayed. Purchaser may not withhold its consent to an assignment proposed by Seller where the proposed assignee has the financial capability and experience necessary to operate and maintain solar photovoltaic systems such as the System.

ii. **Permitted Assignments.** Notwithstanding Section 17(a)(i):

1. Seller may, without the prior written consent of Purchaser, assign, mortgage, pledge or otherwise directly or indirectly assign its interests in this Agreement to (A) any Financing Party (as defined in Section 17(b)), (B) any entity through which Seller is obtaining financing from a Financing Party, or (C) any affiliate of Seller or any entity or person succeeding to all or substantially all of the assets of Seller; provided, that, Seller is not released from liability hereunder as a result of any assignment to an affiliate unless the assignee assumes Seller's obligations hereunder by binding written instrument; and
2. Purchaser may, by providing prior notice to Seller, assign this Agreement:
 - a. to an affiliate of Purchaser or a purchaser of the Premises; provided, that, Purchaser is not released from liability hereunder by reason of the assignment unless the assignee assumes Purchaser's obligations hereunder by binding written instrument on terms satisfactory to Seller, including as to the assignee's creditworthiness; and
 - b. to an assignee that (i) has an Investment Grade credit rating. "**Investment Grade**" means the assignee has a long-term unsecured debt rating from Moody's or S&P of at least Baa3 from Moody's and/or at least BBB- from S&P.
- iii. Successors and Permitted Assignees. This Agreement is binding on and inures to the benefit of successors and permitted assignees. The restrictions on assignment contained herein do not prohibit or otherwise limit changes in control of Seller.
- b. Financing. The Parties acknowledge that Seller may obtain debt or equity financing or other credit support from lenders, investors or other third parties (the "**Financing Part(y/ies)**") in connection with the installation, construction, ownership, operation and maintenance of the System. In furtherance of Seller's financing arrangements and in addition to any other rights or entitlements of Seller under this Agreement, Purchaser shall do the following:
 - i. Timely execute any consents to assignment (which may include notice, cure, attornment and step-in rights) or estoppels and negotiate any amendments to this Agreement that may be reasonably requested by Seller or the Financing Parties; provided, that such estoppels, consents to assignment or amendments do not alter the fundamental economic terms of this Agreement;
 - ii. Within fifteen (15) days after Purchaser's receipt of any Seller request pursuant to this Section 17(b)(ii), Purchaser shall provide any credit support documentation pertaining to Purchaser's creditworthiness or other material documents related to this Agreement as may be reasonably requested by a Financing Party in connection with Seller's financing arrangements. If Purchaser fails to provide such documentation within the timeframe specified herein, then Seller shall have the right to terminate this Agreement pursuant to Section 11(a)(ii).
- c. Termination Requires Consent. Seller and Purchaser agree that any right of Seller to terminate this Agreement is subject to the prior written consent of any Financing Party.

18. Confidentiality.

- a. Confidential Information. To the maximum extent permitted by applicable law, if either Party provides confidential information ("**Confidential Information**") to the other or, if in the course of performing under this Agreement or negotiating this Agreement a Party learns Confidential Information of the other Party, the receiving or learning Party shall (i) protect the Confidential Information from disclosure to third parties with the same degree of care accorded its own confidential and proprietary information, and (ii) refrain from using such Confidential Information, except in the negotiation, performance, enforcement and, in the case of Seller, financing, of this Agreement. The terms of this Agreement (but not the fact of its execution or existence) are considered Confidential Information of each Party for purposes of this Section 18(a).
- b. Permitted Disclosures. Notwithstanding Section 18(a):
 - i. a Party may provide such Confidential Information to its affiliates and to its and its affiliates' respective officers, directors, members, managers, employees, agents, contractors, consultants and Financing Parties (collectively, "Representatives"), and potential direct or indirect assignees of this Agreement if such potential assignees are first bound by a written agreement or legal obligation restricting use and disclosure of Confidential Information. Each Party is liable for breaches of this provision by any person to whom that Party discloses Confidential Information.
 - ii. Confidential Information does not include any information that (a) becomes publicly available other than through

breach of this Agreement, (b) is required to be disclosed to a Governmental Authority under applicable law or pursuant to a validly issued subpoena, (c) is independently developed by the receiving Party, or (d) becomes available to the receiving Party without restriction from a third party under no obligation of confidentiality. If disclosure of information is required by a Governmental Authority, the disclosing Party shall, to the extent permitted by applicable law, notify the other Party of such required disclosure promptly upon becoming aware of such required disclosure and shall reasonably cooperate with the other Party's efforts to limit the disclosure to the extent permitted by applicable law, including, but not limited to, the California Public Records Act.

- c. **Miscellaneous.** All Confidential Information remains the property of the disclosing Party and will be returned to the disclosing Party or destroyed (at the receiving Party's option) after the receiving Party's need for it has expired or upon the request of the disclosing Party. Each Party acknowledges that the disclosing Party would be irreparably injured by a breach of this Section 18 by the receiving Party or its Representatives or other person to whom the receiving Party discloses Confidential Information of the disclosing Party and that the disclosing Party may be entitled to equitable relief, including injunctive relief and specific performance, for breaches of this Section 18. To the fullest extent permitted by applicable law, such remedies shall not be deemed to be the exclusive remedies for a breach of this Section 18, but will be in addition to all other remedies available at law or in equity. The obligation of confidentiality will survive termination of this Agreement for a period of two (2) years.
- d. **Goodwill and Publicity.** Neither Party may (a) make any press release or public announcement of the specific terms of this Agreement or the use of solar or renewable energy involving this Agreement (except for filings or other statements or releases as may be required by applicable law), or (b) use any name, trade name, service mark or trademark of the other Party in any promotional or advertising material without the prior written consent of the other Party. The Parties shall coordinate and cooperate with each other when making public announcements regarding this Agreement, the System and its use, and each Party may promptly review, comment upon and approve any publicity materials, press releases or other public statements before they are made. Notwithstanding the above, Seller is entitled to place signage on the Premises reflecting its association with the System.

19. **General Provisions**

- a. **Definitions and Interpretation.** Unless otherwise defined or required by the context in which any term appears: (i) the singular includes the plural and vice versa, (ii) the words "herein," "hereof" and "hereunder" refer to this Agreement as a whole and not to any particular section or subsection of this Agreement, (iii) references to any agreement, document or instrument mean such agreement, document or instrument as amended, restated, modified, supplemented or replaced from time to time, and (iv) the words "include," "includes" and "including" mean include, includes and including "without limitation." The captions or headings in this Agreement are strictly for convenience and will not be considered in interpreting this Agreement. As used in this Agreement, "dollar" and the "\$" sign refer to United States dollars.
- b. **Choice of Law; Dispute Resolution; Waiver of Jury Trial.**
 - i. The law of the state where the System is located governs all matters arising out of this Agreement without giving effect to conflict of laws principles. Each Party to this Agreement waives its rights to a trial by jury of any or all issues arising in any action or proceeding between the Parties hereto or their successors, under or connected with the Agreement. THE PARTIES ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE FOREGOING, HAVE HAD THE OPPORTUNITY TO HAVE THIS AGREEMENT REVIEWED BY THEIR LEGAL COUNSEL, AND ACCEPT THAT THEY ARE VOLUNTARILY WAIVING THEIR RIGHT TO A JURY TRIAL.
 - ii. Unless otherwise expressly provided for in this Agreement, the dispute resolution procedures in this Section 19(b) shall govern all disputes under this Agreement.
 - (1) **Mediation**
 - a. Claims, disputes, or other matters in controversy arising out of or related to this Agreement, except those expressly waived hereunder, shall be subject to mediation as a condition precedent to binding dispute resolution.
 - b. The Parties shall endeavor to resolve their claims by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with

its Commercial Arbitration Rules and Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other Party, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of binding dispute resolution proceedings but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of sixty (60) days from the date of filing, unless stayed for a longer period by agreement of the Parties or court order. If an arbitration is stayed pursuant to this section, the Parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

- c. Either Party may, within thirty (30) days from the date that mediation has been concluded without resolution of the dispute or sixty (60) days after mediation has been demanded without resolution of the dispute, demand in writing that the other Party file for binding dispute resolution. If such a demand is made and the party receiving the demand fails to file for binding dispute resolution within sixty (60) days after receipt thereof, then both Parties waive their rights to binding dispute resolution proceedings with respect to the initial decision.
- d. The Parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the State of Texas, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

(2) **Arbitration**

- a. Arbitration shall be the method for binding dispute resolution in the Agreement, for any claim subject to, but not resolved by, mediation. Any arbitration shall be administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules and Mediation Procedures in effect on the date of the Agreement. The arbitration shall be conducted in the State of Texas, unless another location is mutually agreed upon.
 - b. The Parties shall use their reasonable efforts to agree upon a single arbitrator, who shall be a neutral, disinterested party with significant experience in the electric power industry, who has never been an officer, director, employee or attorney of either Party, or any of their affiliates and who has a formal financial, accounting or legal education. If the amount of the claim at issue is above \$50,000, or the Parties cannot agree on a single arbitrator within thirty (30) days, the arbitration panel shall be composed of three arbitrators and the parties shall have choice with respect to each arbitrator.
 - c. If the parties proceed to arbitration, a demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the claim would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the claim.
 - d. The hearing shall be commenced on or before sixty (60) days after the selection of the arbitrator(s). The Parties and the arbitrator(s) shall proceed diligently and in good faith so that the arbitration award shall be entered on or before sixty (60) days after the arbitration hearing. The decision of the arbitrator, or a majority of the arbitrators, if applicable, shall be final, binding and non-appealable. Any judgment on the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction.
 - e. The prevailing Party in any an arbitration arising out of this Agreement shall be entitled to reasonable attorneys' fees and costs.
- c. **Notices.** All notices under this Agreement shall be in writing and delivered by hand, electronic mail, overnight courier, or regular, certified, or registered mail, return receipt requested, and will be deemed received upon personal delivery, acknowledgment of receipt of electronic transmission, the promised delivery date after deposit with overnight courier, or five (5) days after deposit in the mail. Notices must be sent to the person identified in this Agreement at the addresses set forth in this Agreement or such other address as either Party may specify in writing.
- d. **Survival.** Provisions of this Agreement that should reasonably be considered to survive termination of this Agreement shall survive. For the avoidance of doubt, surviving provisions shall include, without limitation, Section 12

(Representations and Warranties), Section 13 (Insurance), Section 15 (Indemnification and Limitations of Liability), Section 18 (Confidentiality), Section 19(b) (Choice of Law; Dispute Resolution; Waiver of Jury Trial), and Section 19(c) (Notices).

- e. **Further Assurances.** Each Party shall provide such information, execute and deliver any instruments and documents and to take such other actions as may be reasonably requested by the other Party to give full effect to this Agreement and to carry out the intent of this Agreement.
- f. **Waivers.** No provision or right or entitlement under this Agreement may be waived or varied except in writing signed by the Party to be bound. No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision, nor will such waiver constitute a continuing waiver unless otherwise expressly provided.
- g. **Non-Dedication of Facilities.** Nothing in this Agreement may be construed as the dedication by either Party of its facilities or equipment to the public or any part thereof. Neither Party may knowingly take any action that would subject the other Party, or other Party's facilities or equipment, to the jurisdiction of any Governmental Authority as a public utility or similar entity. Neither Party may assert in any proceeding before a court or regulatory body that the other Party is a public utility by virtue of such other Party's performance under this Agreement. If Seller is reasonably likely to become subject to regulation as a public utility, then the Parties shall use commercially reasonable efforts to restructure their relationship under this Agreement in a manner that preserves their relative economic interests while ensuring that Seller does not become subject to any such regulation. If the Parties are unable to agree upon such restructuring, Seller may terminate this Agreement without further liability under this Agreement except with respect to liabilities accrued prior to the date of termination and remove the System in accordance with Section 9 of this Agreement.
- h. **Service Contract.** The Parties intend this Agreement to be a "service contract" within the meaning of Section 7701(e)(3) of the Internal Revenue Code of 1986. Purchaser shall not take the position on any tax return or in any other filings suggesting that it is anything other than a purchase of electricity from the System.
- i. **No Partnership.** No provision of this Agreement may be construed or represented as creating a partnership, trust, joint venture, fiduciary or any similar relationship between the Parties. No Party is authorized to act on behalf of the other Party, and neither may be considered the agent of the other.
- j. **Entire Agreement, Modification, Invalidity, Captions.** This Agreement constitutes the entire agreement of the Parties regarding its subject matter and supersedes all prior proposals, agreements, or other communications between the Parties, oral or written. This Agreement may be modified only by a writing signed by both Parties. If any provision of this Agreement is found unenforceable or invalid, such provision shall not be read to render this Agreement unenforceable or invalid as a whole. In such event, such provision shall be rectified or interpreted so as to best accomplish its objectives within the limits of applicable law. This Agreement may be executed in any number of separate counterparts and each counterpart shall be considered an original and together shall comprise the same Agreement. The captions or headings in this Agreement are strictly for convenience and shall not be considered in interpreting this Agreement.
- k. Reserved.
- l. **No Third-Party Beneficiaries.** Except as otherwise expressly provided herein, this Agreement and all rights hereunder are intended for the sole benefit of the Parties hereto, and the Financing Parties to the extent provided herein or in any other agreement between a Financing Party and Seller or Purchaser, and do not imply or create any rights on the part of, or obligations to, any other Person.

End of Exhibit 3



Representation re: City of Willows Roof

WHEREAS, Trinary Energy ("TE") and City of Willows (the "City") (collectively, the "Parties") entered into a Solar Power Purchase Agreement (the "PPA") on January 28, 2025;

WHEREAS, in connection with the services provided under that PPA, the Parties recognize that the subject property located at 201 N. Lassen St. Willows, CA 95988 (City Hall) requires a roof replacement to permit the services under the PPA to move forward; and

WHEREAS, TE desires to make the below representation and warranty regarding the costs related to and arising out of a prospective roof replacement for the subject property.

THEREFORE, TE warrants and represents that it will cover all costs associated with the replacement and installation of a new roof at the PPA subject property via reimbursement to the City upon presentation of documented costs associated with said replacement and installation.

The City will seek to procure a contract for this project in accordance with local and state law, including, but not limited to, California Public Contract Code, Division 2, Part 3, Chapter 1, and shall award such contract to the lowest responsible bidder as determined by the City and as approved in writing by TE, such approval to not be withheld unless . TE maintains a good faith belief that said bid exceeds any commercially reasonable quote for a similar roof replacement and installation.

Dated: _____

Signed: _____

Name: **Jeremy Horton**
CEO

Dated: _____

Signed: _____

Name: **Marti Brown, City Manager**
City of Willows



Solar PV Power Purchase Agreement Proposal

City of Willows
201 N. Lassen St
Willows, California 95988

Submitted By:
Trinary Capital, LLC
6510 E Spring St Suite 437
Long Beach, CA 90815

Jeremy Horton
714.768.3903



Solar Power Purchase Agreement (PPA)

PPA Financial Summary

Project/Customer Name	City of Willows
Project Address	201 N. Lassen St Willows, California 95988
PPA Rate (\$/kWh) Year 1	\$0.18
Annual Escalation Rate	2.99%
PPA Term	25 Years
Upfront Cost	\$0
Estimated 25-Year Savings w/ Solar PPA*	\$8,093,742.00

Installed Solar PV System Parameters

System Size (kW dc)	520.02
Solar Modules	Tier 1
Installation Type	Roof Mount and Ground Mount
Annual System Production Year 1 (kWh)	783,880
Solar EPC	Barrier Solar

* The Estimated Solar Utility Bill Savings and the Annual System Production is based on information provided by Turnkey Solar. Trinary Capital uses this assumption in order to quote a PPA rate and provide estimated yearly PPA savings. Actual PPA Savings may differ if Solar Utility Bill Savings or System Production differs.

PPA General Overview

HOW IT WORKS:

- City of Willows (or its affiliate) enters into a Solar Power Purchase Agreement (PPA) with Trinary Capital (or its affiliate, Trinary Energy)
- Trinary Capital pays for and arranges to have the solar system installed by Barrier Solar on City of Willows's property, at no cost.
- Trinary Capital sells all of the solar electricity produced by the solar PV system to City of Willows at a cost that is lower than City of Willows's current utility cost.
- The City of Willows remains connected to utility grid and will always have electricity should solar not be available – for example, during the night.
- Overall City of Willows still uses same amount of electricity except City of Willows now buys low-cost electricity from Trinary Capital and supplements any additional electricity needs with electricity from the utility.
- Net result is significant overall savings as Trinary Capital provides electricity at a lower cost than what City of Willows is currently paying the utility.

PPA Highlights

- No Money Down - Requires zero cash out-of-pocket and results in immediate electricity and cash savings. A PPA provides positive cash flow almost immediately.
- Trinary Capital pays for the installation of the solar PV system and receives all available solar incentives and tax benefits while retaining ownership of the system.
- PPA rate "locked in" at a beginning rate of \$0.18 for Year 1, contingent that it can only change upward if the utility company requires electrical and/or transformer upgrades or if City of Willows requests different panels, inverters or other equipment be used.
- City of Willows has the option to request the use of different panels, inverters, or other equipment, subject to acknowledgment that the "locked in" PPA rate may require adjustment to accommodate the customer request.
- The PPA term is 25 years. City of Willows is eligible to purchase the PV system from Trinary Capital after year 6. Purchase request must be received in writing from City of Willows by Trinary Capital no later than 60 days before the end of desired Buyout Year.

PPA General Overview (continued)

- A PPA is often used by organizations without the ability to take advantage of the available tax benefits and solar incentives or entities without sufficient access to funds for capital improvements or with a preference to invest their capital back into their business or for other needs.
- **A PPA is an Off Balance Sheet Transaction¹**, meaning that it doesn't show up as a liability or commitment that might normally be required to account for on a Balance Sheet
- A Solar PPA includes the following:
 - Turn-key PV System Installation
 - 25-year, Worry-Free Operations and Maintenance Package
 - Online System Monitoring and Reporting
 - Locked in Electricity Costs

¹ Many Companies use various Operating Leases for Copiers, Automobiles, Equipment, etc and most companies are not required to report an Operating Lease on their Balance Sheet. Trinary Capital does not offer tax or accounting advice as part of this PPA and any specific questions relating to Operating Lease regulations should be discussed with your Accountant.

System Benefits

Environmental Benefits

REDUCED OIL CONSUMPTION

Through the installation of solar power, your property will require less fossil-fuel based energy in order to operate. In the aggregate, these savings are significant.

REDUCED GREENHOUSE GASES

By utilizing renewable energy, you will eliminate thousands of pounds of greenhouse gasses per year that would normally be released into the atmosphere through the burning of fossil fuels. This has a substantial effect on our air quality and will contribute to the fight against climate change.

SAVED FORESTS

The purchase of the proposed solar system would have the equivalent environmental impact of planting 564 acres of trees per year for the next 25 years.

Additional Features

LEED CERTIFICATION

Leadership in Energy and Environmental Design (LEED) is an internationally recognized certification program sponsored by the U.S. Green Building Council that measures how well a building performs across energy savings, water efficiency, CO2 emissions reductions, improved indoor environmental quality and stewardship. By obtaining LEED certification, properties are able to increase occupancy/rental rates as well as qualify for more attractive financing. Solar systems qualify for LEED points which contribute towards LEED Certification.

INCREASED PR & PUBLIC GOODWILL

The public is pushing Companies they do business with and organizations they are associated with to practice social & environmental responsibility, including the implementation of environmentally friendly practices such as solar. By installing a solar (PV) system, your entity will demonstrate its commitment to clean energy & social responsibility and appeal to a broader following.

System Benefits, continued

PROPERTY VALUE INCREASE

By applying a modest cap rate to utility savings produced by Solar, your property should realize significant increases in value, which will positively impact your ability to refinance or sell your property should you choose to do so in the future.

Maintenance, Warranty and Monitoring

ALL INCLUDED AT NO ADDITIONAL COST FOR 25-YEARS

OPERATIONS AND MAINTENANCE

Trinary Capital (or its affiliate), as the owner of the system, is responsible for maintaining the system for the entire term of the PPA. Additionally, City of Willows only pays for the electricity that is generated by the solar system, which gives Trinary Capital further incentive to ensure the system produces as much electricity as possible.

WARRANTIES

The solar panels, inverters, and racking system come with warranties from the manufacturers.

MONITORING

Trinary Capital provides online monitoring so you can track the solar system's production.

Billing

(a) For each billing cycle (generally every thirty (30) days during the period that the agreement is in effect), TE, or its management company, will prepare a written or electronic invoice detailing the kWh of electric energy produced by the solar facility during that billing month, and specifying the payment due from you to TE, or its management company, for that billing cycle. Each billing cycle, TE, or its management company will charge your account for one twelfth (1/12th) of the estimated number of kWh to be generated in that year multiplied by the kWh rate (\$0.18). You agree to pay those invoices in full, without deduction or setoff, within ten (30) days following receipt. Any undisputed portion of the invoice amount not paid within the ten (30) day period shall accrue interest at the annual rate of two and one-half percent (2.5%) over the prime rate, as published in the Wall Street Journal (but not to exceed the maximum permitted by law). All payments are to be made in U.S. Dollars unless agreed upon in writing.

(b) Upon each anniversary of the in-service date, TE, or its management company, will compare the actual output to the estimated output. When actual output differs from estimated output by more than ten percent (10%) (in either a positive or negative direction), as reduced by the Degradation Factor, (other than for reasons of force majeure), TE, or its management company, will charge or credit your account for the difference at the kWh rate for the previous year as set forth in the Agreement.

(c) During any Renewal Term, the price per kWh will equal the greater of (i) 50% of the then-applicable Utility rate and (ii) the PPA rate of the first year of the Renewal Term according to the following formula

$$\text{Rate} = 0.0018 * (1 + 0.299)^{\text{Year}-1}$$

As an example, for the first Renewal Term:

$$\text{Rate} = 0.0018 * (1 + 0.299)^{26-1} = \$0.38$$

Upon renewal, an additional exhibit, containing the estimated number of kWh to be produced in the Renewal Term and the Monthly Payment Schedule will be provided for the duration of the Renewal Term.



Initials

Assumptions and Clarifications

Qualifications, Due Diligence and Financial Eligibility

The PPA rate is contingent on verification of City of Willows's qualifications, including due diligence and financial underwriting. Additionally, the PPA rate assumes that City of Willows meets minimum credit requirements, which will be validated prior to executing the PPA agreement.

System Design and Performance

This PPA proposal and quoted PPA rates are derived using solar PV project installation details provided by Barrier Solar as identified in the proposal. It is assumed that Barrier Solar has correctly determined project feasibility and properly designed the system. PPA rates are contingent on verification of installed solar PV parameters such as system size, configuration, equipment, and estimated system production.

Estimated Savings

The utility bill savings that City of Willows will realize by installing solar is based on data provided by Barrier Solar. Trinary Capital has not verified the solar utility bill savings and makes no representation as to its accuracy. Actual PPA savings may differ if utility bill usage differs and/or utility rates differ or fluctuate.

Utility Rate Increases

We assume that your electric utility costs will increase by an average of 7% per year.

System Production and Utilization

This proposal assumes City of Willows will use all electricity produced by the solar PV system to offset either all or a portion of City of Willows's electricity usage. Under a PPA, City of Willows pays for all electricity produced by the solar PV system, whether utilized by City of Willows or not.

Tax Incentives and Other Assumptions

This proposal has made reasonable assumptions regarding applicable solar tax incentives and eligibility as well as assumptions regarding system performance, degradation, inflation rates, etc. in calculating the quoted PPA rate. Any change in applicable solar tax incentives or other changes to the assumptions used by Trinary Capital may result in a change to the final PPA rate.

Upgrades

Trinary Capital assumes that no additional upgrades are needed at City of Willows's property in order to effectively install a solar PV System. If the Utility Company or a Governmental Agency requires any upgrades, they are not included in the proposed PPA rate and may result in a change to the final PPA rate.

City of Willows Acceptance

Statement of Intent to Move Forward

By signing below, City of Willows accepts this PPA proposal and agrees to move forward with the negotiating and signing of a definitive PPA agreement. Trinary Capital, LLC or its affiliate shall draft the definitive PPA Agreement for City of Willows to review and execute. City of Willows acknowledges it has reviewed this PPA proposal and understands its contents including the assumptions and clarifications stated within.

The City of Willows shall cooperate in providing requested financial and other information in order for Trinary Capital to perform its required due diligence.

City of Willows agrees not to solicit, pursue, or engage any other solar PV proposals unless City of Willows and Trinary Capital mutually agree to terminate their understanding and intention to execute a formal definitive agreement. Any offers of alternative financing of this project proposed by City of Willows must be presented to and approved by Trinary Capital and may be renegotiated or rejected by Trinary Capital for any reason.

City of Willows agrees to negotiate in good faith and timely execute the definitive PPA Agreement.



Initials

Deadline for Grandfathering

On September 21st, 2023 the CPUC held proceedings and voted on the rulemaking and rate setting regarding the sunset of NEM Aggregation (NEMA). Specifically, they deliberated concerning the "Order Instituting Rulemaking to Revisit Net Energy Metering Tariffs Pursuant to Decision 16-01-044, and to Address Other Issues Related to Net Energy Metering" regarding RULEMAKING 20-08-020, a.k.a. NEM 3.0. The CPUC has decided that all NEMA applications to be grandfathered (called "legacy period") and maintain a 9-year NEM 2.0 subtariff under the previous rules must be filed and submitted prior to December 20th, 2023. NOTE: If ownership of the facility changes during the 9-year legacy period, the new owners will not benefit from the legacy period.

With respect to improvements from the construction funded by Trinary Capital (or its affiliates and assigns); and with respect to the filing deadline requirements set forth by the California Public Utility Commission under the further rulemaking relating to NEM 3.0 as per NEMA metering rules, customer agrees to have signed and submitted underwriting documents required by Trinary Capital (or its affiliates and assigns) by December 1, 2023. This is done to ensure that there would be ample time to do all necessary drafting, filing, engineering, site visits, and disclosures required.

Applications with all required documentation to qualify for grandfathering under previous NEMA aggregation and tariff rules for a period of 9 years must be submitted by December 20th, 2023. A qualified interconnection application must meet the requirements insofar as, "the interconnection application date is defined as the submission date of an application that is free of major deficiencies and

includes a complete application, a signed contract, a single-line diagram, a complete California Contractors License Board Solar Energy System Disclosure Document, a signed California Solar Consumer Protection Guide, a prevailing wage disclosure form (if applicable), an Authorization to Act on the customer's behalf, and an oversizing attestation (if applicable)."

To qualify for Grandfathering, City of Willows agrees and understands that this will require, as per state requirements for grandfathering, a signed contract among other necessary submission materials. For this, City of Willows understands they must meet underwriting requirements with Trinary Capital (or its affiliates and assigns) in order to have a signed contract with Trinary for funding of their project.

City of Willows agrees to provide these documents to Trinary Capital (or its affiliates) prior to December 1, 2023.

Underwriting documents include a copy of:

1. Articles of Incorporation
2. 3 Previous Years and YTD Financial Statements
3. Government ID from signatory of entity or owner
4. Proof of high-speed internet
5. Proof of insurance
6. Property Deed
7. Property Title
8. Property tax bill
9. Secretary of State documents stating business is in Good Standing.



Initials

Authorized
by City of
Willows

Marti Brown

Print Name

Marti Brown

Signature

City Manager

Title

12/22/23

Date

Customer: City of Willows
Address 201 N. Lassen St
Willows, California 95988

System Parameters

System Size: 520.02 kW (dc)

Estimated Year 1 Production: 783,880 kWh

PPA Rate Year 1: \$0.18/kWh

Annual Escalation: 2.99%

PPA Term: 25 Years

EPC Contractor: Barrier Solar



ENERGY STATEMENT

www.pge.com/MyEnergy

Attachment #5

Details of Electric Charges

07/13/2024 - 08/12/2024 (31 billing days)

Service For: 445 S BUTTE ST

07/13/2024 - 08/12/2024

Customer Charge	31 days @ \$0.82136	\$25.46
Energy Charges		
Peak	1,569.693000 kWh @ \$0.65345	1,025.72
Off Peak	4,295.307000 kWh @ \$0.39583	1,700.21
Energy Commission Tax		1.76

Total Electric Charges \$2,753.15

Average Daily Usage (kWh / day)

Last Year	Last Period	Current Period
192.74	204.23	189.19

USCA-PGPG-0700-0000

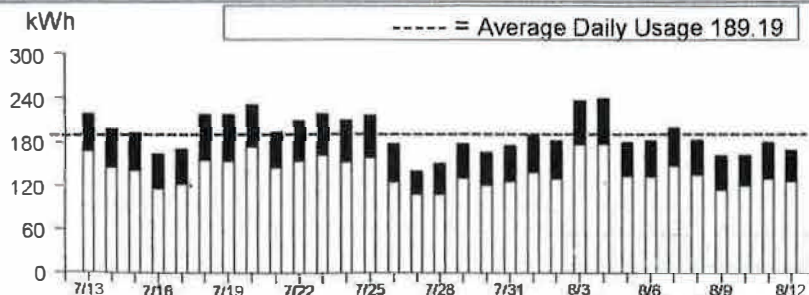
www.pge.com/rin

To program your smart device, scan the QR code or enter the RIN code above and follow the on-screen instructions.

Total Usage

5,865.000000 kWh

Electric Usage This Period: 5,865.000000 kWh, 31 billing days



	Usage	Energy Charges
Peak¹	26.76%	\$1,025.72
Off Peak²	73.24%	\$1,700.21
Super Off Peak³	0.00%	\$0.00

¹Peak: Year-round, Daily, 4:00pm-9:00pm

²Off Peak: Summer, 6/1-9/30, Daily, 9:00pm-4:00pm

Winter, 10/1-2/28, Daily, 9:00pm-4:00pm

Winter, 3/1-5/31, Daily, 9:00pm-9:00am and 2:00pm-4:00pm

³Super Off Peak: Winter, 3/1-5/31, Daily, 9:00am-2:00pm



COMMENTS AND REPORTS



CLOSED SESSION