

9/20/24

(iii) Reclamation may terminate this Agreement if the Authority is in material breach of this Agreement and the Authority does not correct the breach consistent with the procedures described in sub-article 2(b) above; if termination occurs:

(a) Under WIIN § 4007(b)(2), Reclamation may participate in an amount equal to 50% of the total project cost subject to appropriations.

(b) Reclamation and the Authority will work collectively and within their authorities to seek appropriate authority and appropriations to reimburse the Authority's contributed funds as documented in applicable Exhibits to this Agreement, including any outstanding financial obligations in varied amounts based on the number of years following the determination of substantial completion of construction of the Expansion Project in the following manner:

- (a) 0 – 25 years: 100%
- (b) 26 – 35 years: 50%
- (c) 36 – 50 years: 25%
- (d) After 51 years: 0%

(ii) Reclamation may terminate this Agreement if the Authority is in material breach of this Agreement and the Authority does not remedy the breach consistent with the procedures described in subarticle 2(b) above. Notwithstanding the foregoing, if termination occurs, Reclamation will, in a timely manner, seek to reimburse the Authority's contributed funds as documented in applicable Exhibits to this Agreement, including any outstanding financial obligations, in varied amounts based on the number of years following the determination of Substantial Completion of construction of the Expansion Project. Under WIIN § 4007(b)(2), Reclamation may fund up to 50% of the Expansion Project costs so long as the benefits from the Expansion Project are commensurate with the Federal investment. Reclamation therefore commits to working with the Authority to seek additional authorization and appropriations to reimburse the Authority's contributed funds in the following amounts:

0-25 years: 100%

26-35 years: 50%

36-50 years: 25%

After 51 years: 0%

(iii) If this Agreement is terminated pursuant to subarticles 2(b)(2)(i)-(ii) above, Reclamation will manage the Authority-Managed Share of Expanded Reservoir per interim agreement(s) based on provisions of subarticles 4(e)-(h) of this Agreement until Reclamation provides the agreed-upon reimbursement in subarticle 2(b)(2)(ii) or a new agreement for the management of the expanded San Luis Reservoir and cost share of charges associated with the raising of the B.F. Sisk Dam and increased storage capacity of the federally administered San Luis Reservoir is executed.