

**STAFFING AGREEMENT
FOR THE
TEANAWAY SOLAR RESERVE PROJECT**

THIS STAFFING AGREEMENT FOR THE TEANAWAY SOLAR RESERVE PROJECT ("Agreement") is entered into this 19 day of April, 2011 by and between Teanaway Solar Reserve LLC ("Applicant") and Kittitas County, Washington (the "County") (hereinafter, the "Parties").

I. RECITALS

WHEREAS, the Applicant proposes to develop a solar farm and associated utilities capable of generating up to 75 MWdc of renewable PV solar energy ("Project") on approximately 477 acres within a 982 acre area of leased private real property approximately four (4) miles north of the City of Cle Elum; and

WHEREAS, on August 11, 2010, the Kittitas County Board of Adjustment approved a Conditional Use Permit ("CUP") for the Project pursuant to KCC 17.61 and KCC 17.60A which required the Applicant enter into a Development Agreement with the County; and

WHEREAS, on November 2, 2010, the Board of County Commissioners adopted Ordinance No. 2010-011 approving and adopting a Development Agreement for the Project pursuant to RCW Chapter 36.70B and KCC 15A.11; and

WHEREAS, among other terms and conditions, the Development Agreement provides as follows:

9.9 Staffing Agreement for County Project Costs. The Applicant will pay for County costs, including third party consultant costs, if necessary, incurred to support plan review and inspection of the Project during construction, in accordance with K.C.C. 14.04 et. al., under a County Staffing Agreement. The Staffing Agreement shall include any additional building and other permit review and inspection costs not covered by the underlying permit fees, including those costs by CDS, Public Works Department, Public health Department, Information Services, and

the County Prosecutor's Office. The Staffing Agreement shall be approved by the County as to form and content prior to construction, and such approval shall not be unreasonably withheld.

WHEREAS, the County will invest considerable time in review of building and construction plans related to the construction phase of the Project, as well as inspection services rendered during construction; and

WHEREAS, attached to this Agreement as Exhibit A is a listing of the "Anticipated County Review Items and Expenses" requiring County services to be rendered for the Project construction phase plans and applications, and for inspections described above; and

WHEREAS, Exhibit A to this Agreement also contains an initial review and inspection fee estimate amount of \$ 159,958.52 ("Staffing Fee") for the County's services to be rendered for the plan review and necessary inspections related to County Review Items, which reflects the anticipated costs for the County's construction plan review and inspection services; and

WHEREAS, there are remaining funds in the "Teanaway Solar Reserve Services Account" (hereinafter "Services Account") that was established pursuant to Resolution 2009-121 for the County's review of the CUP and DA, and the Parties agree to utilize the existing Services Account and remaining balance for this Agreement, and;

WHEREAS, by accepting the "Staffing Fee," the County agrees to review the Project building and construction plans and conduct the construction inspections described herein as promptly and expeditiously as possible, and in accordance with the timelines provided in Paragraph 5 below and consistent with applicable sections of the Kittitas County Code, Applicant's Conditional Use Permit (CU-09-00005), and County Development Agreement. The purpose of the "Staffing Fee" is to provide staffing levels necessary to enable the County to

render these services without consequential delay to the Project or to other County permit applications; and

WHEREAS, the Applicant will also provide to the County an estimated construction schedule for informational purposes prior to construction;

NOW, THEREFORE, the Applicant and the County agree as follows:

II. AGREEMENT

1. County Expense Reimbursement. In lieu of (and in substitution for) paying building permit applications, plan checks and building permit fees as set forth in Resolution 2010-76, the Applicant agrees to pay the County for expenses incurred in review, processing and inspection services related to the building and construction plans, together with certain construction plans described in the Recitals above and as further described in Exhibit A (the "Anticipated County Review Items and Expenses"). Anticipated County Review Items and Expenses shall include costs incurred by the County in reviewing the building, construction and other plans, and conducting inspections as described in the Recitals above and as further described in Exhibit A.

Within thirty (30) calendar days of the Parties' executing this Agreement, TSR will forward to the County a check for Additional Project Review Fees in the amount of \$79,979.26 (50% of the anticipated fees) for the County's continuing permit review and inspections. Upon receipt of the Additional Project Review Fees, the County shall promptly deposit the funds in the existing Services Account. In the event the estimated amount is inadequate to complete the required tasks of the Project and the sum available to the account is less than \$10,000, the County shall prepare a supplement to Exhibit A and advise TSR of a need to provide additional funds for the account. Additional funds shall be provided in increments of \$20,000 to assure that

the County taxpayers not incur any liability for costs expended on the project. All of these amounts are intended to cover the County's costs, and are paid in lieu of permit fees.

2. County Services Staffing. The County agrees to use its best efforts to not exceed the estimate contained in Exhibit A. The County also agrees to use its best efforts to not exceed the review timeframes in Paragraph 6 and, when the opportunity occurs, to complete review tasks sooner. The parties recognize that additional time may be required. The parties also recognize that tasks not identified on Exhibit A may be necessary for the review and processing of the Project. If the Community Development Services Director or Public Works Director determines that the services described herein cannot be performed within the timeframes in accordance with Paragraph 6 by current County staff, the County may retain outside consultants pursuant to Paragraph 3 below.

3. Third-Party Contracts For County Staffing or Peer Review. The County and Applicant acknowledge that it may be more efficient for one or more County departments to enter into third-party contracts in order to expeditiously render the services described herein. The selection of firms or individuals to provide such third-party contract services and the cost of such services shall require approval of both the County and Applicant, except that the County's continued retention of GordonDerr, LLP, is hereby approved and the cost associated with such services is included in the estimate in Exhibit A.

The County shall be solely responsible for the payment of any third-party contractor's services. The Applicant shall provide reimbursement to the County for such services pursuant to the payment schedule set out in Paragraph 1 herein. Copies of the third-party contractor's invoices shall be furnished to the Applicant.

4. Deposit Fund. Applicant shall deposit the Staffing Fee, as described in Paragraph 1, into the existing Services Account. The County will use the Services Account to pay for any work performed by CDS, Public Works and/or any Consultant services pursuant to this Agreement. Upon request, the County shall promptly furnish the Applicant a statement of services performed pursuant to this Agreement and remaining Services Account balance. The County shall credit to Applicant any interest that accrues on the Services Account. Upon termination of this Agreement, the County shall promptly return any money remaining in the Services Account to the Applicant.

5. Estimated Construction Schedule. The Applicant will provide to the County an estimated construction schedule, for informational purposes, with 30 days of executing this Agreement.

6. Expeditious Review and Performance by the County. The County agrees, as a general principle, to make its best efforts to the following schedule to expedite the review of all plans and to perform all inspections: (1) The County shall provide comments and revisions to all plans submitted for “simple” reviews within 14 calendar days from the County's receipt of such plans and within 30 calendar days for “complex” reviews. The Applicant recognizes that the ability of the County to meet this schedule is, in part, dependent on the timely receipt of complete documents from the Applicant, and that additional time may be required.; and (2) The County shall respond with field inspections within twenty-four (24) hours from notification that inspections are needed, if called by 1:00 pm the previous day, or forty-eight (48) from notification that inspections are needed if called after 1:00 pm the previous day.

7. Periodic Review. The County and Applicant acknowledge that the implementation of this Agreement may require adjustments in the procedures detailed above.

The Parties will meet as necessary to review the staffing levels and procedures required for the implementation of this Agreement. It is the Parties' intent that the implementation of this Agreement shall be revenue neutral to the County and that the County will neither subsidize nor obtain excess revenue from the rendering of services described herein.

8. Dispute Resolution. The Parties agree to use mediation, as necessary, to attempt to resolve any dispute under this Agreement.

9. Amendments. Amendments to this Agreement shall be in writing, approved by the Board of County Commissioners, and signed by the Parties. Applicant shall give the County at least thirty (30) days written notice of its intent to revise this Agreement at which time the County and Applicant will confer to address such revisions and amendments upon request by either party.

10. Term of Agreement. The term of this Agreement shall commence upon January 1, 2011 and shall continue until project construction is completed, as described in the CUP and Development Agreement, unless terminated as described in Section 8 of the Development Agreement. The scope or term of this Agreement may be amended pursuant to Paragraph 9 above.

11. Assignments. This Agreement may be assigned to a publicly regulated utility without any further action by the County. The BOCC may approve any other requests for assignment, which approval shall not be unreasonably withheld.


BOARD OF COUNTY COMMISSIONERS KITTITAS COUNTY



Paul Jewel, Commissioner



Obie O'Brien, Commissioner



Alan A. Crankovich, Commissioner

Approved As To Form



Neil Caulkins
Deputy Prosecuting Attorney

TEANAWAY SOLAR RESERVE LLC, a Wyoming Limited Liability Company

By: 

Name: Howard Trott

Title: Managing Director

EXHIBIT A
TEANAWAY SOLAR RESERVE PROJECT
ANTICIPATED COUNTY REVIEW ITEMS AND EXPENSES

This exhibit includes anticipated review and inspection items that include, but are not limited to the following:

- A. Written Plans and Reports**, such as Storm Water Pollution Prevention Plan (SWPPP), Decommissioning and Site Restoration Plan, Noxious Weed Plan, Geotechnical Analysis, Cultural Resources Report, Tree Planting Plan, Construction Traffic Management Plan, Construction Road Signage Plan and Emergency Plan.
- B. Construction Plans**, such as On-Site Road Improvement Plans, Construction Plans, O&M Building Plan, and Off-site Road Improvement Plans.
- C. Field Inspections**, such as Inverter Foundations, Transformer Foundations, O&M Building, On-Site Road Improvements, and Off-Site Road Improvements.

The expenses associated with the review and inspection items above is anticipated to be as follows:

Review By	County Review Expenses
Public Works Department	\$42,900.00
Community Development Services – Building	\$64,725.78
Community Development Services – Planning	\$40,000.00
Public Health Department	\$1,000.00
Fire Marshal	\$672.74
Noxious Weed Control	\$7660.00
Prosecutor’s Office	\$3000.00
Total:	\$159,958.52