

Partnership Agreement: Exhibit I: First Right of Refusal

- (a) **(Lease of Capacity Interest and Share):** Where a Participant (excluding Reclamation) proposes to lease Base Facilities Capacity Interest and Downstream Facilities Capacity Share to a non-Storage Partner, and receives a bona fide offer for the same, the leasing Participant must first provide written notice of such offer ("**Lease Offer Notice**") to the other non-leasing Storage Partners holding a Capacity Interest and Share in the same Sites Project Facilities (the Base Facilities or the Downstream Facilities, as applicable) including a term sheet with all material terms of the proposed lease, including, the duration of the lease. Reclamation, along with the Storage Partners shall have a "right of first refusal" with respect to the lease of such Capacity Interest and Share on the terms provided in the Lease Offer Notice. Reclamation shall respond to such terms in writing within 60 days of receipt of the Lease Offer Notice or such longer time proposed by the leasing Participant, and a failure to so respond shall be deemed a waiver of such Storage Partner's or Reclamations (as applicable) right to first refusal with regard to the transaction set forth in the Lease Offer Notice. If the terms presented in the Lease Offer Notice are changed in any material way following provision of the Lease Offer Notice, the leasing Participant will provide a revised Lease Offer Notice and Reclamation and the non-leasing Storage Partners shall again have a "right of first refusal" on the new terms in the revised Lease Offer Notice. In the event that more than one non-leasing Storage Partners timely notifies the leasing Participant of such non-leasing Storage Partner's interest in leasing the Capacity Interest and Share upon the terms set forth in the Lease Offer Notice, the Capacity Interest and Share shall be apportioned pro rata based on the non-leasing Storage Partner's applicable Capacity Interest and Share in each of the Base Facilities and Downstream Facilities unless the non-leasing Storage Partners agree otherwise.

(b) (Sale of Capacity Interest and Share): Where a Participant or Reclamation proposes to sell Base Facilities Capacity Interest to a non-Storage Partner, and receives a bona fide offer for the same, the selling Participant must first provide written notice of such offer (“**Sale Offer Notice**”) to the other Storage Partners including a term sheet with all material terms of the proposed sale. Reclamation, along with the Storage Partners shall have a “right of first refusal” with respect to the sale of such Base Facilities Capacity Interest on the terms provided in the Sale Offer Notice. Reclamation shall respond to such terms in writing within 60 days of receipt of the Offer Letter or such longer time proposed by the selling Participant, and a failure to so respond shall be deemed a waiver of such Storage Partner’s right to first refusal with regard to the transaction set forth in the Sale Offer Notice. If the terms presented in the Sale Offer Notice are changed in any material way following provision of the Sale Offer Notice, the selling Participant will provide a revised Sale Offer Notice and Reclamation and the non-selling Storage Partners shall again have a “right of first refusal” on the new terms in the revised Sale Offer Notice. In the event that more than one non-selling Storage Partners timely notifies the Selling Participant of interest in purchasing the [Base Facilities Capacity Interest] upon the terms set forth in the Sale Offer Notice, the [Base Facilities Capacity Interest] shall be apportioned pro rata based on the non-selling Storage Partner’s applicable [Base Facilities Capacity Interest] unless the non-selling Storage Partners agree otherwise.

(c) Default of Capacity Interest and Share:

- a. Upon a default and the termination of a Participant's Capacity Interest and Share under the Benefits & Obligations Contract, the Sites Authority shall use its best efforts to facilitate a sale, for such Participant's account, of all or a portion of the Participant's Capacity Interest and Share, interest in Water and right to convey Water (the "Participant's Defaulted Interests").
- b. Reclamation and all other non-defaulting Storage Partners holding a Capacity Interest and Share in the same Project Facilities (the Base Facilities and/or the Downstream Facilities, as applicable) shall have a "right of first offer" to assume all or a portion of the Participant's Defaulted Interests and that Participant's related obligations under this Agreement, at a price mutually agreed between the defaulting Participant and the Storage Partner purchasing all or a portion of the Participant's Defaulted Interests. In the event that more than one non-defaulting Storage Partners wish to acquire the Participant's Defaulted Interests on the same terms, the Participant's Defaulted Interests shall be apportioned pro rata based on the non-defaulting Storage Partner's applicable Capacity Interest and Share in each of the Base Facilities and/or Downstream Facilities unless the non-defaulting Storage Partners agree otherwise.