

“Wind-Up Resolution” has the meaning given in Section [ ].

“Winding-Up Agent” has the meaning given in Section [ ].

- (a) If the Authority and the Reservoir Management Board determine, that the Sites Project will be terminated before Completion because of infeasibility, impracticality, inability, failure of the Participants to fund the Sites Project, or failure of the Authority to construct the Sites Project, the Authority shall adopt a resolution to wind-up the Sites Project (a “**Wind-Up Resolution**”).
- (b) Upon adoption of a Wind-Up Resolution by the Authority, the Authority shall first offer to sell the Sites Project assets to the Storage Partners (excluding the Partner Facilities ), at a fair market value as determined by a majority of a panel of 3 licensed appraisers, including (i) any partially constructed or completed physical works or assets that divert Sites Water into or release Sites Water from the Sites Project Facilities and (ii) any other non-physical rights, interests, or obligations related to the Sites Project. If any Storage Partners accept such offer for any or all of the offered interests, then the Authority and such purchasing Storage Partners shall work in good faith to close upon the sale of such interests within 180 days after the appraiser panel’s determination of fair market value.
- (c) Upon adoption of a Wind-Up Resolution by the Authority, the Authority shall appoint a winding-up agent (the “**Winding-Up Agent**”). The Winding-Up Agent shall, upon expiration of the time for the Storage Partners to accept the offer described in subsection (b), prepare a plan for disposition of the Sites Project assets, which shall include plans for mitigating or remediating any hazardous or unsafe conditions located on the Sites Project site that are a direct result of the construction of the Sites Project, and upon approval of the Sites Authority, implement the disposition of the Sites Project assets in accordance with the plan for disposition, including the disposition of unexpended and unobligated funds of the Sites Authority and the Storage Partners. Non-cash assets shall be liquidated by the Winding-Up Agent in a commercially reasonable manner. Proceeds from the disposition of Sites Project assets and any other cash or cash equivalents then held by the Authority shall first be used, based on the Capacity Interest and Share, to pay the following amounts in the following order of priority (i) repay debts of the Authority incurred for funding the Sites Project; provided, however, that any moneys contributed by a self-funding Participant and held at the time of a winding-up shall not be used to repay debts of the Authority incurred for funding the Sites Project, (ii) pay the costs of mitigating or remediating hazardous or unsafe conditions located on the Sites Project site pursuant to the plan for disposition of the Sites Project assets, and (iii) distribute cash to the Participants that had satisfied their capital funding obligations . Any remaining funds shall then be distributed to the Storage Partners based on their proportional respective Capacity Interests and Shares. Subject to the Authority Records Management Policy,

Storage Partners shall be entitled to copies of any work products developed by the Authority or its consultants on behalf of the Storage Partners, and the Authority shall convey to the Storage Partners, as tenants in common with all other Storage Partners who are not in default under the Benefits and Obligations Contract, a pro rata interest based on the Capacity Interests and Shares in all real and personal property remaining after implementation of the plan for disposition of the Sites Project Assets in accordance with this Section.

- (d) Upon completion of the winding-up process described in this Section, the Authority shall adopt a resolution of termination of the Sites Project. Upon the adoption of such resolution, all Capacity Interests and Shares shall be terminated.
- (e) Notwithstanding anything to the contract provided herein, so long as any Sites Project obligation under a financing agreement is outstanding (but only to the extent required under such financing agreement), the termination of the Benefits and Obligations Contract shall be subject to the terms of such financing agreement, including the right of the applicable lender to consent to such termination, if any.