

April 5, 2024

Via E-mail and U.S. Mail

Ken Beard
President
Sierra Northern Railway
1222 Research Park Drive
Davis, CA 95618
kbeard@sierrarailroad.com

CC:
Torgny Nilsson
Vice President & General Counsel
tnilsson@sierraenergy.com

Re: Right of Entry Administrative Process Under SPBL Lease and Operations Agreement

Dear Ken:

This letter is intended to memorialize the process pursuant to which Sierra Northern Railway (“Sierra Northern”), as operator of the Santa Paula Branch Line (“SPBL”), will administer Right-of-Entry Agreements (“ROE”) on the SPBL on behalf of VCTC (“Letter Agreement”).

As you know, VCTC and Sierra Northern entered into that certain Lease and Operations Agreement (“Lease”) as of December 23, 2021. The Lease does not contemplate how ROEs will be administered on the SPBL. VCTC and Sierra Northern have agreed that as part Sierra Northern’s operations on the SPBL, Sierra Northern will administer ROEs utilizing the template ROE form approved by the VCTC Commission and subject to the terms outlined in this Letter Agreement.

- In exchange for administering ROEs, Sierra Northern is authorized to collect and retain the ROE fees outlined in the template ROE less 5%, which will be transmitted back to VCTC.
- VCTC has the right to direct Sierra Northern to terminate any ROE on the SPBL on 10 calendar days’ written notice. VCTC also has the right to direct Sierra Northern to terminate a ROE immediately if the ROE area is required for public emergency use or

if VCTC determines in its sole discretion that a contractor has failed to strictly comply with the terms of the ROE template agreement.

- Sierra Northern shall ensure that all contractors obtaining ROEs procure all required insurance in the form and in the amounts provided in the template ROE and provide evidence of such insurance to VCTC.
- Sierra Northern shall prepare ROEs for VCTC’s review and approval prior to Sierra executing ROEs. Sierra Northern will ensure that all documentation required in the ROE Checklist document is included in the ROE package submitted to VCTC for review and approval. Sierra Northern shall only enter into ROEs utilizing the ROE template. Sierra Northern shall not alter the language or terms of the ROE template without VCTC’s prior written approval. VCTC shall review complete ROE packages and provide determinations to Sierra Northern within three (3) business days from receipt.
- Sierra Northern agrees that administration of ROEs on the SPBL is included in Sierra Northern’s operations pursuant to the Lease as referenced in Section 13.1 therein.

By signing below, the Parties confirm their respective consent to and agreement with the terms outlined in this Letter Agreement.

Sincerely,

Martin Erickson
Executive Director of VCTC

VCTC:

By: _____ Date: _____

Its: _____

SIERRA NORTHERN RAILWAY:

By: _____ Date: _____

Its: _____