February 24, 2020

Mr. David E. Capka, P.E.
Director
Division of Dam Safety and Inspection
Federal Energy Regulatory Commission
Office of Energy Projects
Division of Dam Safety and Inspections – Headquarters Office
888 First St, N.E.
Washington, D.C. 20426

Subject: Klamath Project No. 2082 and the Lower Klamath Project No. 14803
Progressive Design Builder Letter of Assurance

Dear Mr. Capka:

Kiewit Infrastructure West Co. (Kiewit) was retained by the Klamath River Renewal Corporation (KRRC) to serve as Progressive Design Builder for the Klamath River Renewal Project (Project). In this role, Kiewit is responsible for designing and constructing all dam removal and infrastructure related aspects of the project.

Since joining the KRRC team in April 2019, Kiewit and our Engineer of Record, Knight Piesold, have conducted site investigations, advanced design criteria, completed a 60% level design package, and provided a Guaranteed Maximum Price (GMP) proposal to KRRC. Our covered project work within this GMP includes infrastructure improvements, project access, decommissioning the dams, managing of river flow through the project site, and providing for a volitional fish channel through the dam footprints.

Based on the preconstruction planning, design, constructability reviews, regulatory agency coordination, and field investigations completed to date, we have established a GMP that is complete and consistent with industry standard practices and matching of Kiewit’s estimating and approach to other similarly complex projects. As such, we believe the GMP is sufficient to complete the scope above from both a cost and schedule standpoint.

This Klamath River Renewal Project is very similar to many other complex, resource intensive, water projects Kiewit has successfully undertaken, including:

- Oroville Dam Spillway Emergency Repair Project, Department of Water Resources, $675 Million
- Crane Valley Dam, Pacific Gas and Electric Company, $63 Million

Kiewit in association with Knight Piesold Consulting
Additionally, Kiewit is well versed and confident of our performance under the GMP contracting model, reflected in the many successful projects Kiewit has completed, including:

- SR 58 Kramer Junction, Caltrans, $165 Million
- Northern Rail Extension, Alaska Railroad Corporation, $153 Million
- San Diego Airport Landside Improvements, San Diego Airport Authority, $227 Million
- US 34 Big Thompson, Colorado Department of Transportation, $196 Million

Based on our successful preconstruction and design period to date, Kiewit’s history and expertise in completing complex dam related projects and our experience and positive results utilizing the GMP contracting model, we are confident that the GMP we’ve provided can achieve the project goals and be completed within budget and on time.

If you have any questions or need additional information, please do not hesitate to contact me at (360) 693-1478.

Sincerely,

Jamie D. Wisenbaker.
Senior Vice-President

cc: Mark Bransom, CEO KRRC
    Laura Hazlett, COO and CFO KRRC
CONTRACT AMENDMENT No. 3
TO THE
PROJECT AGREEMENT
FOR
DESIGN, CONSTRUCTION, DEMOLITION AND HABITAT RESTORATION SERVICES
IN CONNECTION WITH
THE REMOVAL OF THE LOWER Klamath RIVER DAMS

THIS CONTRACT AMENDMENT NO. 3 TO THE PROJECT AGREEMENT FOR DESIGN, CONSTRUCTION, DEMOLITION AND HABITAT RESTORATION SERVICES IN CONNECTION WITH THE REMOVAL OF THE LOWER Klamath RIVER DAMS ("Contract Amendment No. 3") is entered into as of February 24, 2020, between the Klamath River Renewal Corporation (the "KRRC"), and Kiewit Infrastructure West Co., a corporation organized and existing under the laws of the State of Delaware and authorized to do business in the State of California and the State of Oregon (the "Project Company").

RECITALS

WHEREAS, the KRRC and the Project Company executed the Project Agreement for Design, Construction, Demolition and Habitat Restoration Services in Connection with the Removal of the Lower Klamath River Dams, on April 24, 2019 (the "Project Agreement");

WHEREAS, the KRRC and the Project Company executed Contract Amendment No. 1 to the Project Agreement on September 18, 2019, and Contract Amendment No. 2 to the Project Agreement on January 13, 2020, to account for certain changes to the Preliminary Services work scope and Preliminary Services Fee;

WHEREAS, following the receipt of a notice to proceed from the KRRC on each respective date, the Project Company began work on the 30% design immediately following the Contract Date on April 24, 2019 and the Project Company began work on the 60% design on June 24, 2019;

WHEREAS, the Project Company and the KRRC have worked together to refine the draft terms and conditions of KRRC-Managed Governmental Approvals, complete the 60% design and resolve issues relating to the liability transfer, price certainty and long term habitat monitoring and maintenance concerns of the KRRC;

WHEREAS, in connection with the review by FERC of the application to transfer the FERC license from PacifiCorp to the KRRC, the KRRC is required to provide updated information and further assurances to FERC that the KRRC will be able to comply with the terms and conditions of the license;

WHEREAS, Section 4.1(E) (Estimated Guaranteed Maximum Price) of the Project Agreement sets forth the estimated Guaranteed Maximum, as of April 24, 2019 (the Contract Date), based on information then available to the parties;

WHEREAS, subsequent to the Contract Date, the Project Company has performed Preliminary Services Tasks #1 through #8 of the Preliminary Services, which include developing the Project to the 60% design level and assisting the KRRC and its advisory team in advancing the process of applying for and obtaining the Governmental Approvals required for the Project;

WHEREAS, based on the performance of such Preliminary Services the Project Company made submittals to the KRRC in February providing its 60% complete design for the Project and the Base Guaranteed Maximum Price;
WHEREAS, Resource Environmental Services, LLC ("RES"), as a Subcontractor to Project Company, has developed a 60% design for the habitat restoration and maintenance work for the Project;

WHEREAS KRRC and RES have drafted and intend to execute a separate agreement under which RES will perform all further habitat restoration, including design, implementation, and maintenance, amending the scope of the Project Agreement accordingly; and

WHEREAS, both the KRRC and the Project Company agree that it is in their mutual interests to further amend the Project Agreement to establish the Base Guaranteed Maximum Price on or prior to February 28, 2020, the date on which the KRRC has committed to delivering a fully detailed Project update to FERC.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto, intending to be legally bound, agree as follows:

SECTION 1. DEFINITIONS. All capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Project Agreement.

SECTION 2. INTERPRETATION. The interpretation provisions set forth in Section 1.2 (Interpretation) of the Project Agreement, will apply to any interpretation of this Contract Amendment No. 3.

SECTION 3. BASE GUARANTEED MAXIMUM PRICE ESTABLISHED IN CONNECTION WITH THE FEBRUARY 28, 2020 FERC SUBMITTAL. The parties acknowledge and agree that the Base Guaranteed Maximum Price established for the purpose of making the required February 28, 2020 submittal to FERC with respect to the license transfer application is $198,956,777. The Project Company has developed the Base Guaranteed Maximum Price based on completion of Preliminary Services Tasks #1 through #8, including the completion of the 60% design for the Project and the submittal to the KRRC of the GMP Project Submittal. Any subsequent negotiations between the parties that are provided for in the Project Agreement, including those conducted pursuant to Article 5 of the Project Agreement regarding Early Work Packages and the GMP and Project Implementation Contract Amendments, shall be conducted on the basis of such Base Guaranteed Maximum Price.

SECTION 4. ADDITIONAL CONTEMPLATED REVISIONS TO THE PROJECT AGREEMENT. The parties acknowledge and agree that the Project Agreement will require further changes prior to the Project Implementation Contract Amendment Date to account for (A) the removal of all habitat restoration work from the Project Agreement, and as a result, the removal of RES as a Subcontractor of the Project Company; (B) the coordination of work and Governmental Approvals compliance responsibilities between the Project Company and RES as a Separate Contractor to the KRRC performing the habitat restoration, maintenance and liability transfer work; (C) the potential change from a guaranteed maximum price compensation structure to a fixed-price compensation structure; (D) incorporation of assumptions used to establish the Base Guaranteed Maximum Price; and (E) other necessary conforming changes, as approved by the parties acting in good faith, based on the negotiations pursuant to the terms of the Project Agreement relating to the establishment of the GMP Contract Amendment Date and the Project Implementation Contract Amendment Date.

SECTION 5. CONTRACT ADMINISTRATION MEMORANDUM. In order to maintain a complete file of all agreements made with respect to the administration of this Project Agreement, a Contract Administration Memorandum shall be prepared attaching and acknowledging this Contract Amendment No. 3.
SECTION 6. ENTIRE AGREEMENT. This Contract Amendment No. 3 contains the entire agreement between the parties with respect to the specific changes noted above and supersedes all oral negotiations and prior writings with respect thereto.

SECTION 7. INCONSISTENCIES AND CONFLICTS. Subject to Section 1.2(U) (Applicability, Stringency and Consistency of Contract Standards) of the Project Agreement, the changes made by this Contract Amendment No. 3 are incorporated into the Project Agreement and to the extent provisions of this Contract Amendment No. 3 are inconsistent with the provisions of the Project Agreement, the provisions of this Contract Amendment No. 3 shall control.

SECTION 8. OTHER TERMS OF THE PROJECT AGREEMENT REMAIN IN EFFECT. All terms and conditions of the Project Agreement which are not expressly modified or deleted by the terms of this Contract Amendment No. 3 shall remain in effect.

SECTION 9. BINDING EFFECT. This Contract Amendment No. 3 shall inure to the benefit of, and shall be binding upon, the respective successors and assigns of the parties.

SECTION 10. NO REFERENCE REQUIRED. All notices, communications, agreements, certificates, documents or other instruments executed and delivered after the execution and delivery of this Contract Amendment No. 3 may refer to the Project Agreement without making specific reference to this Contract Amendment No. 3, but nevertheless all such references shall include this Contract Amendment No. 3 unless the context requires otherwise.

SECTION 11. COUNTERPARTS AND DELIVERY BY ELECTRONIC MAIL. This Contract Amendment No. 3 may be executed in counterparts, which together shall constitute one and the same instrument. Any party may deliver an executed copy of this Contract Amendment No. 3 by electronic mail and such counterpart shall be deemed effective upon receipt.

[Signature Page Follows]
IN WITNESS WHEREOF, the parties have executed this Contract Amendment No. 3 as of the date first above written.

KLAMATH RIVER RENEWAL CORPORATION

By: ____________________________
Printed Name: Laura Hazlett
Title: Chief Financial Officer

KIEWIT INFRASTRUCTURE WEST CO.

By: ____________________________
Printed Name: Jamie D. Wisenbaker
Title: Senior Vice President

SIGNATURE PAGE TO CONTRACT AMENDMENT NO. 3