

September 29, 2026

Board of Supervisors
Kern County Administrative Center
1115 Truxtun Avenue
Bakersfield, CA 93301

**PROPOSED ADVANCE KERN ECONOMIC INCENTIVE AGREEMENT WITH
PACIFIC STEEL GROUP, PSGM3 LLC
Fiscal Impact: \$3,375,000; General Fund; Not Budgeted; Discretionary**

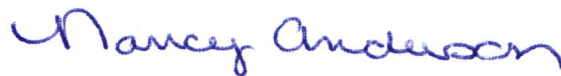
This is to request your Board's approval for an economic incentive agreement with Pacific Steel Group, PSGM3 LLC ("PSG") in an amount not to exceed \$3,375,000 over approximately 6 years, but no longer than 30 years, commencing June 29, 2026 for the creation of 450 new, full-time permanent living-wage jobs. The incentive is structured as a property tax rebate, estimated at \$537,953 annually, contingent upon job creation and performance requirements. The proposed project shall create 450 new full-time jobs at an average annual salary of \$71,440, including an estimated 353 jobs by June 30, 2028.

PSG is constructing a first-of-its-kind zero-carbon steel micro mill in the unincorporated community of Mojave. The Mojave Micro Mill is the first steel mill in California in over 50 years. The Mill will recycle California steel into seismic-grade green rebar, reducing reliance on out-of-state processing while expanding domestic manufacturing capacity and employment in Kern County.

Advance Kern and the efforts of Kern County's economic development partners were important factors in PSG's decision to locate within Kern County. The Agreement reflects the outcome of negotiations between the County and PSG, clearly defining each party's obligations and remedies, including termination for nonperformance. The proposed agreement has been approved by County Counsel as to form.

Therefore, IT IS RECOMMENDED that your Board approve the proposed Agreement and authorize the Chairman to sign the economic development incentive Agreement with PSGM3 LLC in an amount not to exceed \$3,375,000.

Sincerely,



Nancy Anderson
County Administrative Officer

NA/JA: ECDEV AGR AdvanceKern Pacific Steel Group

Attachment

cc: Mark Olson, Pacific Steel Group
County Counsel

**ADVANCE KERN ECONOMIC DEVELOPMENT INCENTIVE PROGRAM
AGREEMENT**

(County of Kern – PSGM3 LLC)

TABLE OF CONTENTS

1. Purpose.....	1
2. PSG's Responsibilities.....	2
a. Creation of New Full-Time Jobs	2
b. Certification of New Full-Time Jobs	2
3. Term.....	2
4. Right to Terminate	3
5. Qualifying Incentives.....	3
a. PSG Property Tax.....	3
6. Delinquent Taxes	3
7. Incentive Payment.....	3
8. Indemnification.....	4
a. In General.....	4
b. Survival of Indemnification Obligations.....	4
9. Release and Waiver	4
10. Breach by PSG.....	4
11. Remedies of County.....	5
12. No Waiver of Breach	5
13. Force Majeure.....	5
a. Definition	5
b. Consequences	5
14. Assignment and Subletting:.....	5
a. No Assignment or Subletting	5
b. Referral to Board of Supervisors	6
c. Failure to Obtain Consent	6
d. No Waiver or Limitation on Consent	6
e. PSG in Compliance.....	6
15. Processing Fee	6
16. Notices	6
17. Authorized Agent of County	7
18. Miscellaneous Provisions.....	6
a. Negation of Partnership	7
b. Conflict of Interest.....	7
c. Incorporation of Prior Agreements.....	7
d. Remedies not Exclusive.....	7
e. Severability.....	7
f. Governing Law; Venue.....	7
g. Attorney's Fees.....	7
h. Compliance with Laws	7
i. Successors	7
j. No Third-Party Beneficiaries	8
k. Covenants and Conditions.....	8
l. Modification	8
m. Authorization.....	8
n. Construction	8
o. Recitals.....	8

p. Captions8

q. Exhibits8

r. Time of Essence.....8

s. Prevailing Wage8

t. California Department of Tax & Fee Administration sub-permit9

ADVANCE KERN ECONOMIC DEVELOPMENT INCENTIVE PROGRAM AGREEMENT

(County of Kern – PSGM3 LLC)

THIS ADVANCE KERN ECONOMIC DEVELOPMENT INCENTIVE PROGRAM AGREEMENT (“**Agreement**”) is made and entered into on _____ (“**Execution Date**”) by and between the **COUNTY OF KERN**, a political subdivision of the State of California (“**County**”), and **PSGM3 LLC dba. Pacific Steel Group**, a California limited liability company, and its direct and indirect wholly-owned subsidiaries, whether now in existence or hereafter created, provided that such subsidiaries are organized under the laws of a state of the United States (collectively, “**PSG**”). County and PSG are referred to individually as a “**Party**” and collectively as the “**Parties**.”

RECITALS:

- A. The County of Kern Economic Development Incentive Policy, Advance Kern (“**Policy**”), was adopted by the Kern County Board of Supervisors November 7, 2017 and amended April 27, 2021 to attract and grow businesses which compliment existing industries, assist in the growth and diversification of the County’s economic base, provide employment opportunities for residents, and facilitate the creation of good paying jobs within the unincorporated areas of the County.
- B. The County’s payment of amounts equivalent to property, sales, and/or eligible use tax paid by target industry clusters, as provided for within the Policy, is collected by County due to the investment of capital and the creation of jobs in the unincorporated area of the County.
- C. PSG’s eligibility for participation in the program created by the Policy is in conjunction with its completion of capital investment, which consists of approximately \$500 million in construction, machinery, equipment, and other investments (“**Capital Investment**”) that will allow for the construction of a micro mill facility and infrastructure necessary to produce rebar from scrap metal and create up to 535 new full-time jobs at their project location located on Assessor’s Parcel Numbers 431-010-02 and 431-030-02 at 506 Sopp Road, Mojave, California, 93501 (“**Facility**”).
- D. The purpose of this Agreement is to provide certain economic incentives to PSG to induce PSG to create new full-time jobs and conduct business operations in the County, including, without limitation, those at the Facility (collectively, the “**Business Activities**”).
- E. The Parties agree that the economic incentives provided by County in this Agreement are for the benefit of public health, safety, welfare, and convenience of the residents of the County and that this Agreement serves a public purpose, which includes promotion of economic development, job growth, and the future expansion of the County’s tax base.

AGREEMENT:

1. **Purpose:** This Agreement is made for the purpose of providing PSG with an opportunity to participate in the Program. The Parties further agree that any monetary incentives disbursed by County to PSG under the Program and pursuant to this Agreement (“**Incentives**”) shall be based

solely on the creation and sustainment of Business Activities. The Parties acknowledge that by the execution of this Agreement, County has accepted PSG as a Program participant. The Parties hereby agree to discharge and perform their respective obligations set forth in the Program and this Agreement. Subject to the limitations of the Program and this Agreement, and PSG's performance of its obligations pursuant to the Program and this Agreement, PSG shall be eligible to receive Incentives as defined in this Agreement.

2. PSG's Responsibilities:

a. Creation of New Full-Time Jobs: PSG agrees to comply with the terms and conditions of the Program and in doing so shall complete (A) a minimum of **\$500,000,000** in Capital Investments at the facility on or before **June 30, 2028**; and (B) shall create a minimum of **353** New Full-Time, permanent jobs, with benefits at the Facility available to and filled by Kern County residents during the first year of operation ending **January 1, 2030** and a minimum of **450** New Full-Time, permanent jobs, with benefits at the Facility available to and filled by Kern County residents no later the conclusion of the first year of full production capacity, no later than **December 31, 2030**. "New Full-Time Job" shall mean a job for a salary or hourly-wage employee who: (i) is hired with the expectation to work 40 hours per week in the County, provided that, for the avoidance of doubt, remote work outside the County performed by County residents shall be permitted and included for purposes of satisfying such 40 hour per week requirement; (ii) is a new hire and not an existing employee who is reclassified from another job classification; and (iii) is paid at least the "living wage" identified for 1 adult in the "Living Wage Calculation for Kern County, California" published by the Massachusetts Institute of Technology, Department of Urban Studies and Planning. Notwithstanding the above, a "New Full-Time Job" does not have to be filled at all times during the period in question as long as PSG is using good faith efforts to fill any vacant positions over the term of this Agreement. "New Full-Time Jobs" shall be verified through data available from the California Employment Development Department (EDD) and in accordance with this **Section 2**.

b. Certification of New Full-Time Jobs: Beginning in **2027**, no later than **June 30** of each year during the Term, PSG shall furnish to County a certificate, certified as to the accuracy of the facts stated therein by an authorized officer or representative of PSG, certifying the number of New Full-Time Jobs as of **December 31** of the previous year. County may require PSG to provide such other reasonable documentation which County, in good faith, deems necessary to confirm PSG's certification. Failure of PSG to provide County with those records deemed reasonably necessary by County to verify and confirm PSG's performance in creating New Full-Time Jobs under this Section 2 will be grounds for immediate termination of this Agreement by County; provided, that PSG shall first have the opportunity to cure such failure to the reasonable satisfaction of County within forty-five (45) days after written notice by County. PSG agrees that any Incentives paid to PSG that County subsequently determines to have been unearned shall be immediately repaid to County by PSG. Nothing set forth in this Agreement shall negate the legislative authority of County's Board of Supervisors to duly consider and take appropriate action upon all matters relative to this Agreement.

3. Term: The term of this Agreement ("Term") shall commence on the Execution Date and shall terminate on the date upon which County provides payment to PSG in the amount of the Incentives Cap as identified in **Section 5**, or 30 years following the Execution Date, whichever

occurs first. It is the intent of this Agreement to provide incentives to PSG to continue to create New Full-Time Jobs in the County.

4. **Right to Terminate:** PSG may terminate this Agreement at any time, for any reason, by providing a 45-day prior written notice to County. In the event of such a termination, PSG will be entitled to retain any Incentives paid and/or payable to PSG with respect to periods of performance through the effective date of termination (including payments which are due to be paid after the termination date, but which are payable based on performance prior to such termination date), but PSG will not be entitled to receive any Incentives with respect to periods of performance after the effective date of termination.

5. **Qualifying Incentives:** The total Incentives payable under this Agreement shall be \$7,500 per New Full-Time Job up to a maximum total Incentives payment of **\$3,375,000** ("**Incentives Cap**"). To ensure that Incentives shall not exceed incremental revenues to the County generated as a result of Business Activities, Incentives shall be funded solely out of the following two (2) revenue streams to County: PSG Property Tax and PSG Sales Tax.

a. **PSG Property Tax:** "PSG Property Tax" shall mean 50% of the real and personal property taxes paid by or on behalf of PSG to County, after adjustment for Education Revenue Augmentation Fund, that are attributable to Business Activities.

6. **Delinquent Taxes:** PSG shall pay any delinquent taxes that are owed by PSG to County prior to County's disbursement of Incentives.

7. **Incentive Payment:** No later than **August 31** of each year under the Term, County shall provide PSG with an itemized list of the Incentives to be paid for the previous year ("**Statement**"). Upon County's submission to PSG of a Statement, PSG shall have 45 days to issue a written response to County either approving or denying the Statement and the determinations set forth therein. If within 45 days of PSG's receipt of County's Statement, PSG has not provided County with a written response to the Statement; such Statement shall be deemed approved by PSG. If PSG provides County with a written denial of the Statement or the determinations set forth in the Statement, the Parties shall use their best efforts to meet and confer on the proper determinations as promptly as practicable. If the Parties are unable to come to an agreement on the determinations within 60 days of PSG's written notification of denial, then the Chief Administrative Officer's decision shall be final. Within 45 days of PSG's approval or deemed approval of the Statement, County shall pay to PSG in lawful money of the United States, the Incentive as described in the approved Statement and calculated in accordance with **Section 5**.

The total estimated worth of this Agreement is valued at \$3,375,000 and is calculated as follows:

Up to 450 new Full-Time Jobs @ \$7,500 incentive per job =	\$3,375,000
Estimated annual Incentive available for rebate in accordance with Section 5:	\$537,953
Estimated number of years of rebate payment:	6 years

It is understood by both Parties that there are delays between execution of this Agreement and performance by either party of their responsibilities enumerated herein. Payments estimated in **Section 7** are the average based on an estimated economic impact of Business Activities over a 1-

year period. Both Parties acknowledge that due to delays in assessment, reporting, and state release of moneys, that payments over the first year of this Agreement may not match estimated amounts.

The Parties acknowledge that this Agreement centers around statutory obligations with respect to taxes. It is, therefore, mutually understood and agreed that should substantial changes occur in state law, court decisions, or state administrative decisions which negate the basic purposes of this Agreement, this Agreement shall be renegotiated within 120 days of either Party providing notice pursuant to **Section 16** below.

8. Indemnification:

a. **In General** – PSG shall indemnify and defend, upon request of County, County, its governing board, commissions, elected and appointed officials, employees, agents, volunteers, and authorized representatives, and each of them (“**Indemnified Parties**”), against any and all actions, lawsuits, proceedings, losses, costs, expenses, claims, fines, liabilities, fees (including, but not limited to, reasonable attorneys’ fees of County Counsel and outside counsel retained by County and reasonably acceptable to PSG, costs of County staff time, investigation, expert and consultant fees and costs), and damages, including liability for personal injuries or death or property damage, regardless of where located, including property of County, and workers’ compensation claims or suits arising from or connected with any services performed under this Agreement on behalf of PSG by any person or entity (“**Claims**”), arising out of or in any way connected with the default, negligence, gross negligence or willful misconduct of PSG, its employees, agents, independent contractors, or invitees (“**PSG Acts**”), except to the extent the Claim is caused or contributed to by the default, negligence, gross negligence, or willful misconduct of County or the Indemnified Parties.

b. **Survival of Indemnification Obligations** – PSG’s obligations under this **Section 8** shall survive the expiration or termination of this Agreement. Notwithstanding any other provision of this Agreement (i) PSG shall have no obligation to indemnify any of the Indemnified Parties for any punitive, indirect, incidental or consequential damages whether arising at law, in equity or otherwise; and (ii) in no event shall PSG’s maximum liability under this **Section 8** exceed the amount of Incentives actually received by PSG from County under this Agreement.

9. **Release and Waiver**. County hereby confirms that, as of the Execution Date, County is unaware of any action taken by the County which might give rise to a claim by PSG against the County. PSG releases County and the Indemnified Parties from all claims and waives all claims against County and the Indemnified Parties, that it may have as of the Execution Date relating to this Agreement and any acts or omissions of County or the Indemnified Parties in connection therewith, except to the extent the Claim is caused or contributed to by the default, negligence, gross negligence, or willful misconduct of County or the Indemnified Parties.

10. **Breach by PSG**: In the event of the breach by PSG of any term, covenant, or condition of this Agreement, PSG shall have 90 days after written notice has been given to PSG by County to cure. If PSG fails to cure within the stated time periods, County may exercise its remedies under **Section 11**.

11. **Remedies of County:** In the event of a breach by PSG, County shall have as its sole remedy the right to terminate this Agreement. In the event of such a termination, PSG will be entitled to retain any Incentives paid and payable to PSG through the effective date of termination, but PSG will not be entitled to receive any Incentives payable after the effective date of termination.

12. **No Waiver of Breach:** The waiver by County or PSG of any term, covenant, or condition contained in this Agreement must be in writing and shall not be deemed to be a waiver of any subsequent breach of the term, covenant or condition contained in this Agreement, and no custom or practice that may arise between the Parties during the course of this Agreement shall be construed to waive or lessen the right of County or PSG to the performance by the Parties in strict accordance with the terms of this Agreement.

13. **Force Majeure:**

a. **Definition:** Neither Party shall be held responsible or be deemed to be in default under this Agreement for any delay in performance or failure to perform any of its obligations, if such delay or failure is the result of causes beyond the control and without negligence of the Party. Such causes include, without limitation, acts of nature, strikes, lockouts, riots, insurrections, civil disturbances or uprisings, sabotage, embargoes, blockages, acts of war or terrorism, acts or failure to act by any governmental or regulatory body (whether civil or military, domestic or foreign), governmental regulations superimposed after the fact, communication line failures, power failures, fires, explosions, floods, accidents, epidemics, pandemics, earthquakes, tsunamis, or other natural or man-made disasters ("**Force Majeure**"). Lack of funds shall not be a Force Majeure event.

b. **Consequences:** The Party affected by a Force Majeure event, upon giving prompt notice to the other Party, shall be excused from performance to the extent of such prevention, restriction, or interference, on a day-to-day basis until the Force Majeure event is removed, and the other Party shall likewise be excused from performance of its obligation which relate to the performance so prevented, restricted, or interfered with. The affected Party shall use its best efforts to avoid or remove the causes of nonperformance and to minimize the consequences thereof, and both Parties shall resume performance when the Force Majeure event is removed.

14. **Assignment and Subletting:**

a. **No Assignment or Subletting:** PSG shall not assign or transfer this Agreement, without the prior written consent of the County Administrative Officer of the County Administrative Office ("**CAO**") or his/her designee, which consent shall not be unreasonably withheld; provided, however, that PSG may assign or transfer this Agreement to any entity that is controlled by, under the control of, or under common control with PSG without notice or consent. Notwithstanding the prior sentence, PSG may assign for security purposes, and as collateral, this Agreement to or for the benefit of any commercial bank, trust company, or other institutional lender providing financing secured by a mortgage, deed of trust, or other similar lien or encumbrance upon any assets of PSG ("**Lender**"). In connection with such collateral assignment by PSG to a Lender, County agrees to execute and deliver a consent to such assignment for the benefit of a Lender, in form and substance as may be reasonably requested by such Lender.

b. Referral to Board of Supervisors: The CAO may refer PSG's request to (i) assign, (ii) transfer, (iii) mortgage, or (iv) otherwise convey this Agreement, to County's Board of Supervisors for Board consideration. PSG may appeal any decision of or failure to act by the CAO with respect to any such request by PSG, by making an appeal to the Board of Supervisors.

c. Failure to Obtain Consent: If PSG shall assign, transfer, mortgage, or otherwise convey this Agreement, or its rights and interests hereunder, or attempt to do so in violation of the foregoing provision County may, at its option by written notice to PSG, either declare such assignment, transfer, mortgage, or other conveyance void or terminate this Agreement and all rights and interests of PSG and all other persons hereunder.

d. No Waiver or Limitation on Consent: Any consent to an assignment, transfer, mortgage, or conveyance shall not be deemed or construed as consent to any different or subsequent assignment, transfer, mortgage, or conveyance. This clause shall not be construed to limit any right or remedy which County may become entitled to as a matter of law or become entitled to by reason of PSG's actions or failures to act.

e. PSG in Compliance: As a condition of County's consent to a conveyance of this Agreement, PSG must be in compliance with all terms, covenants, and conditions of this Agreement, including without limitation the payment of all monies due to County.

15. Processing Fee: PSG shall have no obligation to pay to County any processing fee for processing any request by PSG for County to sign documents.

16. Notices: All notices herein provided to be given, or which may be given, by either Party to the other shall be deemed to have been fully given when made in writing and deposited with (i) the United States Postal Service, certified mail, return receipt requested, postage prepaid, or (ii) a recognized overnight carrier with delivery receipt requested, and addressed as follows:

To PSG: PS GM3 LLC
Attn: Monica Kamoss, CFO
4805 Murphy Canyon Road
San Diego, CA 92123

To County: County of Kern
County Administrative Officer
1115 Truxtun Avenue, 5th Floor
Bakersfield, CA 93301

The address to which the notices shall be mailed to either Party may be changed by written notice given by such Party to the other, but nothing shall preclude the giving of any such notice by personal service.

17. Authorized Agent of County: The CAO is the duly authorized agent of County for purposes of this Agreement, and as to any obligations assumed by PSG, they shall be performed to the sole satisfaction of the CAO, unless another standard is specified in this Agreement.

18. Miscellaneous Provisions:

a. **Negation of Partnership** – County shall not become or be deemed a partner or joint venturer with PSG by reason of the provisions of this Agreement. PSG shall not for any purpose be considered an agent, officer, or employee of County.

b. **Conflict of Interest** – The Parties have read and are aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflict of interest of public officers and employees. All Parties agree that they are unaware of any financial or economic interest of any public officer or employee of County relating to this Agreement. It is further understood and agreed that if such a financial interest does exist as of the Execution Date, County may immediately terminate this Agreement by giving written notice to PSG. The Parties shall comply with the requirements of Government Code Section 87100 et seq. during the term of this Agreement.

c. **Incorporation of Prior Agreements** – This Agreement contains all agreements of the Parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective.

d. **Remedies not Exclusive** – The use by either Party of any remedy specified herein for the enforcement of this Agreement is not exclusive and shall not deprive such Party of, or limit the application of, any other remedy provided by law, at equity, or otherwise.

e. **Severability** – If any part, term, portion, or provision of this Agreement is decided finally to be in conflict with any law of the United States or the State of California, or otherwise be unenforceable or ineffectual, the validity of the remaining parts, terms, portions, or provisions shall be deemed severable and shall not be affected thereby, provided such remaining portions or provisions can be construed in substance to constitute the agreement which the Parties intended to enter into in the first instance.

f. **Governing Law; Venue** – The Parties agree that the provisions of this Agreement shall be construed pursuant to the laws of the State of California. If either PSG or County initiates an action to enforce the terms of this Agreement or declare rights hereunder, including actions on any bonds and/or surety agreements, the venue thereof shall be the County of Kern, State of California, it being understood that this Agreement is entered into, and will be performed, within the County of Kern.

g. **Attorney's Fees** – In the event any action or proceeding is brought by either Party against the other Party under this Agreement, the prevailing Party shall be entitled, in addition to such other relief as may be granted, to reasonable attorneys' fees.

h. **Compliance with Laws** – PSG shall, at its sole cost, promptly comply with all applicable State and Federal laws in conducting Business Activities within the County.

i. **Successors** – Subject to **Section 14**, all terms, covenants, and conditions of this Agreement shall extend to, be binding upon, and inure to the benefit of the heirs, executors, administrators, successors, and assigns of the respective Parties.

j. **No Third-Party Beneficiaries** – This Agreement is made for the sole benefit of the Parties and their respective heirs, executors, administrators, successors, and assigns, and no other persons shall have any right of action hereon.

k. **Covenants and Conditions** – Each provision of this Agreement performable by PSG shall be deemed both a covenant and a condition.

l. **Modification** – This Agreement may be modified or amended only by a written document signed by both Parties.

m. **Authorization** – Each individual executing this Agreement on behalf of either Party represents and warrants that he/she is duly authorized to execute and deliver this Agreement on behalf of that Party, and that this Agreement is binding upon both Parties in accordance with its terms.

n. **Construction** – The Parties acknowledge that each Party and its counsel have reviewed and revised this Agreement, and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement or any amendments or exhibits to this Agreement.

o. **Recitals** – Each of the recitals is incorporated in this Agreement by reference as if fully set forth in this Agreement at length, is deemed to be the agreement and a reflection of the intent of the Parties, and is relied upon by the Parties in agreeing to the provisions of this Agreement and in interpreting its provisions.

p. **Captions** – Paragraph headings in this Agreement are used solely for convenience, and shall be wholly disregarded in the construction of this Agreement.

q. **Exhibits** – Any exhibits attached to this Agreement are incorporated into this Agreement by reference.

r. **Time of Essence** – Time is hereby expressly declared to be of the essence of this Agreement and of each and every provision thereof, and each such provision is hereby made and declared to be a material, necessary, and essential part of this Agreement.

s. **Prevailing Wage** – PSG acknowledges that it is fully aware of prevailing wage requirements for public works projects as set forth in Article 2 (commencing with section 1770) of Chapter 1, Part 7 of the California Labor Code (“**Prevailing Wage Requirements**”) and agrees to comply with the provisions of that Article to the extent the Prevailing Wage Requirements are applicable to PSG’s Business Activities. PSG further agrees that to the extent applicable, it shall require any subcontractor it contracts with to comply with the Prevailing Wage Requirements. PSG also agrees to indemnify, defend (upon request of County) and hold the Indemnified Parties harmless from all claims, costs, causes of action, attorney fees, damages or liability from the failure of PSG or its subcontractors to comply with the Prevailing Wage Requirements, if applicable. Notwithstanding any other provision of this Agreement (i) PSG shall have no obligation to indemnify any of the Indemnified Parties for any punitive, indirect, incidental or consequential damages whether arising at law, in equity or otherwise; and (ii) in no event shall PSG’s maximum

liability under this **Section 18** exceed the amount of Incentives actually received by PSG from County under this Agreement.

t. **California Department of Tax & Fee Administration sub-permit** – PSG requires that all contractors and subcontractors on the site participate in directing local tax to the County of Kern wherever applicable and/or possible. This direction will not increase PSG or its contractor's tax liability; however, it will increase the percentage amount of tax revenue the County will receive. PSG requires that the contractors and subcontractors work together with the County officials and consultants to achieve an equitable outcome. To the extent applicable and/or possible, PSG will require that the contractors and subcontractors exercise their option to obtain a California Department of Tax & Fee Administration sub-permit for the job site and allocate all eligible use tax payments to the County of Kern. This condition applies only to those contractors/sub-contractors with individual contracts over \$5 million. To the extent applicable, prior to any construction on-site, the developer will require that the contractor and subcontractor provide the County of Kern with either a copy of their sub-permit that shows their CDTFA account number or a signed statement that sales and use tax does not apply to their portion of the project. The developer/contractor will provide the County and its consultant with a list of subcontractors associated with the project. The Parties agree that nothing in this paragraph or the one above will result in any increased cost burden to PSG or its subcontractors.

The remainder of this page has been intentionally left blank.

The Parties have executed this Agreement on the Execution Date.

APPROVED AS TO CONTENT:

County Administrative Office

Signed by:
By Nancy Anderson
A1628A8D41164C9...
Nancy Anderson
County Administrative Officer

COUNTY OF KERN

By _____
Phillip Peters, Chair
Kern County Board of Supervisors
"County"

APPROVED AS TO FORM:

Office of County Counsel

Signed by:
By Kelli M. King
2D13C86F03A54E7...
Kelli M. King,
Deputy County Counsel

PSGM3 LLC

DocuSigned by:
By Mark Olson
85F5459B6266442
Mark Olson
Vice President of Mill Operations
"PSG"