PERMIT
ISSUED TO CONDUCT A
DESIGNATED ACTIVITY OF STATE INTEREST
OR
TO ENGAGE IN DEVELOPMENT IN A
DESIGNATED AREA OF STATE INTEREST
IN THE
COUNTY OF OTERO, STATE OF COLORADO

Pursuant to *Guidelines and Regulations For Areas and Activities of State Interest, County of Otero, State of Colorado, adopted April 19, 2004, as amended on August 14, 2006, April 21, 2017 and December 17, 2020,* adopted by the Board of County Commissioners (hereinafter "Regulations"), the County has received an Application (both Pre-Application and Final Application, hereinafter "Application") from Three Corners Connector, LLC, a Grid United Company, (hereinafter "Applicant") for a permit to conduct the following matter(s) of state interest:

> Development in Areas Containing or Having a Significant Impact upon Natural Resources of Statewide Importance, and more particularly, Chapter 6 entitled "Regulations for Site Selection and Construction of Major Facilities of a Public Utility".
>
> Applicant proposes to develop an approximately 290-mile, up-to-525-kilovolt (kV), high voltage direct current (HVDC) transmission line between Pueblo, Colorado, and Guymon, Oklahoma ("Project"). Upon completion, Three Corners Connector will represent an approximately $2 billion investment that will generate approximately $4 billion of direct savings to Colorado electricity customers. Proposed Project facilities in Otero County include 47.7 miles of HVDC transmission line and one fiber repeater station. The transmission line route generally runs west to east across central Otero County and is located south of U.S. Highway (US) 50. Three Corners Connector LLC has acquired voluntary land options for easements along 100 percent of the proposed transmission line route in Otero County.

Three Corners Connector LLC is being developed by Grid United LLC, which is in turn wholly owned by Centaurus Capital LP. Centaurus Capital LP is the Houston-based family office of John and Laura Arnold.

Construction is anticipated to start in 2027, and Phase I of the Project would become operational in 2031.

The lands impacted in Otero County by this project may sometimes be referred to herein as the "project lands" or "subject property" or other similar language.

The Application further states that upon construction completion, the Applicant will reclaim all disturbed ground, as best as possible, to pre-construction condition.

The Application further states Three Corners Connector LLC has acquired voluntary land options for easements along 100 percent of the proposed transmission line route in Otero County. The Application provides for extensive revegetation and a reclamation plan that includes proper topsoil handling and stockpiling; site stabilization and erosion control; revegetation soil preparation and seeding; post-construction monitoring of the revegetation and reclamation efforts by appropriate third parties.

The Application further commits the Applicant to adhere to rules and regulations set forth by Federal, State and local agencies.

The Permit Authority has approved the Application and issues a Permit as follows:

This Permit authorizes Three Corners Connector LLC to construct 47.7 miles of HVDC transmission line across Otero County, Colorado, on the real property described in **Exhibit A** attached hereto, subject to the additional conditions set forth below.

A. **Conditions Applicable to the Permit.** This Permit is issued with the following mandatory conditions:

1. Before the commencement of construction, Three Corners Connector LLC is to provide a $3,600,000 revegetation financial guarantee or bond held in favor of Otero County. Ten percent (10%) or $360,000.00 shall be a cash deposit held with Otero County Treasurer. Ninety percent (90%) of this amount, or $3,240,000.00 shall be represented by a bond issued in favor of Otero County. Bond must be renewed every 5 years. Revegetation and reclamation of the above-described property must be properly completed and done, such revegetation and reclamation to be approved by the Permit Authority in accordance with the "Revegetation Classification Standards and Special Conditions for 1041 Permits" attached hereto as **Exhibit B** and hereby incorporated by reference.

2. Applicant shall address any reasonable concerns or objections of any state or local agency or government that may arise during or after construction or maintenance of the Project.

3. Before the commencement of construction of the Project, Applicant shall verify to the Permitting Authority and the Otero County Land Use Administrator that it has acquired all necessary easements or property rights to complete the Project.

4. Before the commencement of construction of the Project, Applicant shall submit verification to the Permitting Authority and the Otero County Land Use Administrator that it has complied with and received all necessary permits and approvals, as applicable, from local and state governmental entities.

5. Applicant shall enter into a Road Use Agreement with the County setting forth the Roads to be used during construction and Applicant's financial responsibility for repair or additional maintenance of Roads affected by construction.

6. Applicant shall comply with all applicable laws and regulations to avoid or mitigate interference with any significant wildlife habitat or adversely affecting any endangered wildlife species, unique natural resource or historic landmark within the Project.

7. Applicant shall comply with all of the following requirements:

a. The 1041 Permit shall be limited to the plans show in Applicant's 1041 Permit Application, as mapped at the final hearing of the Permitting Authority, with the exception that any change of placement within the property of participating landowners or county right of way would not be considered a substantial change to the 1041 Permit.

b. Substantial changes from the plans or development standards as shown or stated shall require Applicant to apply for and obtain the approval of an amendment of the Permit by the Otero County Permitting Authority before such changes from the plans or development standards are permitted.

c. Copies of all appropriate permits and approvals of federal, state and local agencies obtained by Applicant shall be forwarded to the Otero County Land Use Administrator. Any construction done within Otero County right-of-way will require a right-of-way permit obtained from Otero County Public Works Department.

d. All disturbed areas shall be reclaimed in coordination with the affected landowners as set forth in Applicant's reclamation plan, as recommended by the Range Management Specialist hired by Otero County, or in accordance with landowner easements or licenses, as applicable.

e. Once construction and revegetation of the Project is completed the Range Management Specialist shall be allowed access to the sites to perform one (1) inspection each year. The Otero County Land Use Administrator shall promptly forward to Applicant copies of all reports or recommendations of the Range Management Specialist. When revegetation is established and has been deemed complete by the Range Management Specialist, Otero County will release the revegetation bond and reimburse applicants 10% cash deposit (described in Section A.1. hereof).

f. Applicant shall not permanently dispose of waste within the Project areas.

g. Applicant shall store and remove for final disposal in a manner that protects against surface and groundwater contamination all liquid and solid wastes (as defined in the Solid Wastes Disposal Sites and Facilities Act, 30-20-100 C.R.S., as amended).

h. Applicant shall manage, store and dispose of waste materials in a manner that reasonably controls debris, blowing debris, and other potential nuisance conditions in conformance with applicable laws and regulations.

i. To the extent reasonably feasible, Applicant shall control throughout the Project areas all fugitive dust, either from construction or transportation of equipment, in conformance with applicable laws and regulations.

j. Applicant shall comply with all of the foregoing development standards set forth in this Section A.7. and noncompliance with any of the foregoing development standards shall be subject to the enforcement provisions of the Regulations, in accordance with Section K hereof.

k. The construction and operation of the Project must meet or exceed all applicable Federal, State, and local requirements, and the site is to conform to all applicable zoning requirements and be maintained to acceptable standards as of the date of this agreement.

l. Applicant shall comply with any and all Otero County Health Department requirements in their entirety.

m. The Applicant must sign the "Applicant Acceptance" attached hereto as **Exhibit C** before the Permit will become effective. If Applicant fails to sign the Acceptance within ten (10) working days of the date of this adoption, then the Permit shall be void and of no effect, and shall not be recorded in the Otero County records.

B. **Compliance with Regulatory Requirements.** Applicant shall comply with all state, county, local and federal regulatory requirements, permits, decrees and other approvals applicable to the development and activity.

C. **Other Otero County Regulations.** The 1041 Permit does not constitute an exemption from Otero County's applicable regulations and codes as they exist now or are later amended, and Applicant as part of its compliance with the 1041 Permit shall comply with all Otero County regulations applicable to the Project. Otero County has not waived the application of any other land use regulations for 1041 permits.

D. **Scope of Permit and Permit Amendments.** This Permit is limited to the Project as described in Applicant's Application, as amended during the public hearing process orally or in writing, and as approved. The Permit conditions includes all agreements and representations of Applicant made during the public hearing process. Applicant shall notify the Permitting Authority of any proposed change to the Project features or operation, and the Permitting Authority shall determine whether an amendment to this Permit would be required to ensure that the changes will not violate any standards in Otero County's 1041 Regulations and will not violate the terms and conditions of this Permit.

E. If the Permitting Authority determines that any material representation made by Applicant in the Permit Application or during the public hearing process is false or deliberately

misleading, the Permitting Authority may pursue an enforcement action for violation of this Permit.

F. Any material change in the construction, use or operation of the Project, together with Applicant's commitments of record, shall require a 1041 Permit amendment. For these purposes, a material change shall be any change in the Project which significantly changes the nature of impacts considered in approval of the 1041 permit, including changes resulting from permits issued by other governmental organizations or the appropriate courts of law.

G. **Commencement of Project.** If Applicant fails to take substantial steps to commence the activities for which the Permit is issued within forty-eight (48) months from the date of issuance of this Permit, then the Permit may be revoked or suspended by the Permitting Authority following notice and public hearing. The Applicant must provide a project status report within twenty-four (24) months. The Permitting Authority may, in its discretion, extend the time period to begin the project upon written request by Applicant, following a public hearing.

H. **Term of Permit.** The 1041 Permit shall be valid indefinitely for the life of the Project, provided that Applicant is in compliance with the 1041 Permit. If shown to be necessary, the Permitting Authority may, in its discretion, extend the term of the Permit upon written request of Applicant, following a public hearing.

I. **Transfer of Permit.** The 1041 Permit may only be transferred or assigned in whole or in part upon written approval of the Permitting Authority. Any proposed transferee or assignee to the 1041 Permit shall demonstrate that it can and will comply with all terms and conditions of the 1041 Permit.

J. **Costs.** Applicant has submitted a cost deposit to Otero County. The cost of Otero County Land Use Administrator, staff, attorney and independent contractors for the Permit and various documents and reports in connection with this Permit shall be borne by Applicant. Applicant shall deposit additional amounts required to maintain at all times the cost deposit at a minimum balance of $2,000 per year to cover costs incurred by Otero County for revegetation monitoring after construction is complete. At the written request of Otero County, if Otero County does not have the expertise to evaluate an alleged violation of the Permit, Applicant shall be responsible for reasonable costs associated with consultants that may be necessary to determine whether a violation has occurred. In compliance with Section 2.202 (2) of the Applicant shall reimburse Otero County for all staff and legal costs, attorneys' fees, and expert witness fees incurred by Otero County associated with any legal action threatened or brought in association with the Project in which Otero County may be or is joined or named as a party. In addition, Applicant shall reimburse Otero County for all legal and expert witness expenses incurred in amending, administering, reviewing or enforcing the Permit and the terms and conditions of the Permit.

K. **Permit Violation.** Failure to comply with any portion of this Permit is a violation of the Permit and the Regulations and is subject to the enforcement provisions therein.

L. **Default Provisions.** Default of the Permit shall be governed by Section 2.403 of the Regulations. In the event that the Permitting Authority determines that enforcement action is necessary, the Permitting Authority shall enforce the Permit in accordance with the existing enforcement procedures, and Applicant shall reimburse all of Otero County's costs and expenses incurred in enforcing the Permit.

M. **Non-Default Disputes.** If a dispute arises pertaining to matters covered by this Permit, other than an alleged violation of this Permit, Applicant and the Otero County Land Use Administrator shall first meet to attempt to resolve the dispute. If the dispute cannot be satisfactorily resolved, Applicant and the Permitting Authority shall meet to attempt to resolve the dispute.

N. **Non-Waiver.** Failure of the Permitting Authority to insist upon strict performance of Applicant's obligations set forth in this Permit shall not be construed as a waiver of strict performance of Applicant required by this Permit.

O. **Entire Permit.** This Permit constitutes the entire Permit and supersedes all representations, written or oral, made by Otero County, the Permitting Authority or Applicant.

P. The following exhibits are attached and fully incorporated herein:

Exhibit A: Legal description of the Subject Property

Exhibit B: Revegetation Classification Standards and Special Conditions

Exhibit C: Applicant Acceptance Form

DATED this 23rd day of February, 2026.

ATTEST:

Clerk to the Board

OTERO COUNTY PERMIT AUTHORITY

By: _____

Chair, Board of County Commissioners
Otero County, Colorado

OTERO COUNTY SEAL COLORADO