

LANDFILL GAS SALES AGREEMENT
CONTRACT No. 2023-115

This LANDFILL GAS SALES AGREEMENT (“Agreement”), dated and effective as of March 8, 2023 (the “Effective Date”), is by and between **Deschutes County** (“County”), a political subdivision of the State of Oregon, and **Cascade Natural Gas Corporation** (“Cascade”), a corporation organized under the laws of Washington.

WITNESSETH:

WHEREAS the County owns a Solid Waste Facility which includes a landfill site that contains landfill gas containing methane located at Knott Landfill Recycling and Transfer Facility, 61050 SE 27th Street, Bend, Oregon 97702 (“Landfill”); and

WHEREAS Cascade wants to, if economically feasible, extract, condition, transport and purchase the landfill gas for commercial use; and

WHEREAS the County is willing to allow Cascade to extract, condition, transport and purchase such landfill gas on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree as follows:

1. DEFINITIONS

1.1. Certain Definitions. For purposes of this Agreement, unless the context clearly indicates otherwise, the following terms shall have the following meanings:

- 1.1.1. “Active Gas Collection System Expansion”** shall mean all future expansions of the Existing Active Gas Collection System which may include Mitigation Wells, a Mitigation Collection System or components or additions thereof, Perimeter Wells, RNG Production Wells, RNG Collection System or components or additions thereof, associated condensate sumps and related components and equipment that are not located within the RNG Production Facility or the Compliance Flare footprint or a part of the Leachate Recirculation System.
- 1.1.2. “Cascade Indemnitees”** shall have the meaning set forth in Section 11.3.
- 1.1.3. “Cascade Personnel”** shall have the meaning set forth in Section 5.1.2.
- 1.1.4. “Commissioning Date”** shall mean the day Facilities installed at the Solid Waste Facility have extracted landfill gas and produced RNG at a minimum rate of 600 MMBtu per day for three consecutive days.
- 1.1.5. “Compliance”** shall mean that either Parties’ actions performed during the term of this Agreement will be completed in a manner that complies with all applicable regulations, rules or standards including but not limited to the existing County Title V Permit No. 09-0040-TV-01, any future modified Title V Permit to be procured by the County and the Oregon Department of Environmental Quality (“Oregon DEQ”) Administrative Rules 340-239 (Division 239), including the operating, monitoring, and recordkeeping requirements included therein.
- 1.1.6. “Compliance Flare”** shall mean all equipment and piping located on the Compliance Flare site location as of the effective date of this agreement that was installed by and is owned by the County. Exhibit 1 of this Agreement contains a drawing and list of equipment included in the Compliance Flare.

- 1.1.7. “Existing Active Gas Collection System”** shall mean the gas and associated condensate collection system that is in place as of the Effective Date that was installed by and is owned by the County. Exhibit 1 contains a drawing and list of equipment included in the Existing Active Gas Collection System. The Existing Active Gas Collection System will be either (1) connected to and become part of the future RNG Collection System or Mitigation Collection System; or (2) taken out of service.
- 1.1.8. “Facilities”** shall mean the Existing Active Gas Collection System, Active Gas Collection System Expansion, RNG Production Facility, Compliance Flare, and Leachate Recirculation System required for the extraction, conditioning, recovery, metering, transportation of landfill gas, and compliance activities in accordance with this Agreement.
- 1.1.9. “Facilities Easement Agreement”** means an easement agreement to be negotiated in good faith between the County and Cascade in substantially the same form as attached hereto as Exhibit 2.
- 1.1.10. “Force Majeure”** shall have the meaning set forth in Section 12.2.
- 1.1.11. “Landfill Gas Payment”** shall have the meaning set forth in Section 4.1.1.
- 1.1.12. “Leachate Recirculation System”** shall mean all equipment and piping that was installed by and is operated and owned by the County for the purpose of collecting leachate from the landfill cell sumps and recirculating leachate within the landfill cells as of the Effective Date. LFG is also extracted through the Leachate Recirculation System via the Existing Active Gas Collection System when the County is not recirculating leachate. Exhibit 1 of this Agreement contains a drawing and list of equipment included in the Leachate Recirculation System.
- 1.1.13. “Mitigation Collection System”** shall be, to the extent it is necessary to create one either initially or in the future, a collection system separate from the RNG Collection System with the purposes of (1) routing landfill gas to the Compliance Flare rather than the RNG Production Facility; and (2) Compliance with all applicable regulatory requirements. It shall include all future gas piping, valves, controls, condensate sumps, and fittings that are a part of the system connected to the Compliance Flare. Portions of the Existing Active Gas Collection System may become part of the Mitigation Collection System in the future. A Mitigation Collection System may or may not be necessary.
- 1.1.14. “Mitigation Wells”** shall be temporary horizontal or vertical wells that may be financed and installed in the future in active areas of the landfill by the County for the purpose of Compliance. The Mitigation Wells may be connected to the Mitigation Collection System and the Compliance Flare for the purpose of the County’s emission compliance control or may be connected to the RNG Collection System if the quality of gas being produced by the Mitigation Well is of high enough quality to support RNG production. Wells from the Existing Active Gas Collection System may become Mitigation Wells in the future.
- 1.1.15. “Perimeter Wells”** shall typically be vertical wells that may be financed and installed by the County in the future for the purpose of controlling migration of LFG from the landfill. The Perimeter Wells may be connected to the Mitigation Collection System and the Compliance Flare or the RNG Collection System.
- 1.1.16. “Prudent Practice”** shall mean the exercising of the same degree of care and control considered reasonable in similar circumstances by other entities of a size comparable to the County or Cascade as the case may be, when confronting the same or similar circumstances. In applying the standard of Prudent Practice, equitable consideration should be given to the circumstances, the complexity of the equipment or the tasks involved, the facts known by the Parties at the time, the fact that neither Party is in a position or in the business of being an insurer or guarantor, the then current state of technology, and with respect to Cascade’s Facilities at the Solid Waste Facility, recognizing that the equipment will not always operate as designed and that construction and erection of equipment will not always

be performed perfectly with the result that modifications and improvements may have to be made and sometimes at substantial cost to Cascade.

1.1.17. “Renewable Natural Gas or RNG” shall mean landfill gas (“LFG”) that is conditioned to meet Cascade’s gas quality specifications and transported and injected into Cascade’s natural gas distribution system or otherwise utilized by Cascade.

1.1.18. “RNG Collection System” shall be all installed gas collection piping, valves, controls, condensate sumps, and fittings to be installed and financed in the future by Cascade for the purpose of collecting landfill gas for the purpose of RNG production and will be connected to the RNG Production Facility. All or portions of the Existing Active Gas Collection System are likely to be connected to the RNG Collection System in the future, although portions may be connected to a Mitigation Collection System.

1.1.19. “RNG Production Facility” shall mean all future equipment and piping to be installed and owned by Cascade for the purpose of producing RNG. Such equipment and piping may include but is not limited to a building to house equipment, gas piping, blower and flare, compressor(s), gas treatment system, concrete foundation for equipment, control system, and a pipeline and equipment to interconnect with and transport RNG to Cascade’s natural gas distribution system or otherwise utilized by Cascade. The equipment will be contained and fenced at a RNG production site location within the Solid Waste Facility property boundary with the exception of the Cascade RNG transportation pipeline running from the outlet of the RNG Production Facility to Cascade’s distribution system injection point or to another location determined by Cascade.

1.1.20. “RNG Production Wells” shall typically be future vertical wells that are installed after a phase is capped or near complete and/or future horizontal wells installed during waste filling. The RNG Production Wells will be typically connected to the RNG Collection System and the RNG Production Facility. Wells from the Existing Active Gas Collection System are likely to become RNG Production Wells although some may become Mitigation Wells.

1.1.21. “Solid Waste Facility” shall mean the Knott Landfill and the adjacent Knott Landfill Recycling and Transfer Facility owned by the County located at 61050 SE 27th Street, Bend, Oregon 97702.

1.2. Other Terms. References herein to Exhibits are to the Exhibits attached to this Agreement which are incorporated into this Agreement by this reference. Other terms used in this Agreement are defined in the context in which they are used and shall have the meaning therein indicated.

2. TERM

2.1. Interim Term. The Interim Term of this Agreement shall commence on the Effective Date and shall terminate two (2) years from the Effective Date, or on the first day of the Initial Term, whichever occurs sooner, unless cancelled or terminated as provided herein.

2.2. Initial Term. The Initial Term of this Agreement shall commence on the Commissioning Date, and shall terminate ten (10) years thereafter, unless earlier terminated as provided herein. Notwithstanding anything to the contrary contained in this Agreement, this Agreement shall automatically terminate if the Commissioning Date does not occur within two (2) years from the Effective Date.

2.3. Extension. The Agreement shall automatically renew at the end of the Initial Term for successive five-year terms unless either party shall provide not less than six (6) months written notice of nonrenewal or the Agreement is otherwise terminated as provided herein. Upon renewal, all applicable terms of the Agreement will apply.

3. FACILITIES

3.1. Design, Construction Financing and Ownership. The Parties shall be responsible for the design, construction, financing, and ownership of the Facilities as follows:

3.1.1. Compliance Flare. The County currently owns and will continue to own the existing Compliance Flare as described in Exhibit 1. Cascade, in consultation with the County, will design, construct and finance any infrastructure or modifications required prior to the Commissioning Date that are required to connect the Compliance Flare to the RNG Production Facility or RNG or Mitigation Collection Systems. This will also include controls integration with the RNG Facility required to transition between Compliance Flare operation and RNG Production Facility operation while maintaining compliance with Oregon DEQ regulatory requirements. Any equipment, fittings and devices installed by Cascade to connect the Compliance Flare to the RNG Production Facility or RNG or Mitigation Collection Systems will be the responsibility of Cascade to operate and maintain. The County will remain responsible for design, construction, and financing of any improvements, modifications, repairs, or replacements of the Compliance Flare itself and its associated facilities.

3.1.2. Existing Active Gas Collection System. The County currently owns and will continue to own the Existing Active Gas Collection System. Cascade, in consultation with the County, will design, construct and finance any infrastructure required prior to the Commissioning Date to connect the Existing Active Gas Collection System to the RNG Production Facility or RNG or Mitigation Collection Systems and/or modify the Existing Active Gas Collection System as necessary to create separate RNG and Mitigation Collection Systems or to provide for proper future operation of the Facilities in conjunction with the RNG Production Facility. Cascade will provide design drawings and information required for submittals required by the Oregon DEQ for compliance with the County's Title V Permit No.09-0040-TV-01 and Division 239 to the County. The County shall prepare and submit all required submittals at its cost.

3.1.3. RNG Production Facility. Cascade shall design, construct, own, and expand the RNG Production Facility as necessary in its discretion, except pursuant to the terms set forth in 8.2.1.

3.1.4. Active Gas Collection System Expansion. The County will own any Active Gas Collection System Expansion. The Parties shall jointly coordinate Active Gas Collection System Expansion planning and shall split the costs of the Active Gas Collection System Expansion as follows:

3.1.4.1. RNG Production Wells and RNG Collection System. Cascade shall coordinate the design, construction, and installation of the expansion of RNG Production Wells and the RNG Collection System, and pay for all such costs. Cascade will provide design drawings and information required for submittals required by the Oregon DEQ for compliance with the County's Title V Permit No.09-0040-TV-01 and Division 239 to the County. The County shall prepare and submit all required submittals at its cost.

3.1.4.2. Mitigation Wells and Perimeter Wells. The County shall coordinate and pay for all costs of the design, construction, and installation of Mitigation Wells and Perimeter Wells. If the future Mitigation Wells or Perimeter Wells are to be connected to the Existing Active Gas Collection System or Active Gas Collection System Expansion the County shall pay for all such costs to connect the wells.

3.1.4.3. Mitigation Collection System. It may or may not be necessary to create a separate Mitigation Collection System initially or in the future. Any decision to create a separate Mitigation System shall be a joint and mutual decision of the Parties in the Parties individual discretion, to be negotiated in good faith. Cascade shall coordinate and pay all costs prior to the Commissioning Date to create a separate Mitigation Collection System as described in 3.1.2, if necessary. If it is necessary in the future after the Commissioning Date to design and build a separate Mitigation Collection System,

Cascade will coordinate the design, construction, and installation of the system, and the costs will be split with Cascade paying 75% and the County paying 25%. Cascade will bill the County upon the completion of construction of any Mitigation Collection System installations for 25% of the cost of its actual time and materials expended, including Cascade's own internal costs. The County shall pay said invoice within thirty (30) days of the invoice date. Amounts not paid when due pursuant to this Section will accrue interest at the rate set forth in Section 4.4 herein. The Parties acknowledge the Mitigation System could be created by either designing and constructing an entirely new system, modifying or separating the existing system into two systems, or a combination of the two. After construction of the initial Mitigation Collection System, all additional costs of design, construction, and installation of expansion of the system shall be handled pursuant to Section 3.1.4.2.

3.1.4.4. Condensate Sumps. Cascade shall coordinate the design, construction, and installation of future condensate sumps associated with the RNG Collection System, and pay for all such costs. Cascade will provide design drawings and information required for submittals required by the Oregon DEQ for compliance with the County's Title V Permit No.09-0040-TV-01 and Division 239 to the County. The County shall prepare and submit all required submittals. The County shall coordinate the design, construction, and installation of future condensate sumps associated with the Mitigation Collection System, and pay for all such costs. The County shall compile necessary information and prepare and submit all required Compliance submittals at its cost.

3.1.5 Leachate Recirculation System. The County shall coordinate and pay for all costs of the design, construction, and installation of the leachate recirculation system. The County shall own the leachate recirculation system.

3.2. Facilities and Site Easement. The County agrees to grant Cascade a separate Facilities Easement Agreement so as to allow Cascade to locate and construct the RNG Production Facility and the RNG transportation pipeline on Solid Waste Facility property and the County and Cascade agree to execute this Facilities Easement Agreement.

4. LANDFILL GAS PURCHASE TERMS

4.1. Rates and Payments.

4.1.1. Landfill Gas Payment. Beginning with the Commissioning Date, Cascade will pay to the County a payment monthly for landfill gas ("Landfill Gas Payment") extracted from the Landfill, converted to RNG, and transported and injected into Cascade's natural gas distribution system or otherwise utilized by Cascade in its discretion, equal to thirty percent (30%) of the New York Mercantile Exchange Henry Hub index ("NYMEX HH Index") per MMBtu, as reported in the first issue of the month of delivery of Inside FERC's Gas Market Report in the table "Prices of Spot Gas delivered to Pipelines" or another mutually agreed upon pricing mechanism. The measurement of the volume of landfill gas for purposes of calculating the Landfill Gas Payment will be at Cascade's meter located downstream of the RNG Production Facility. Such meter shall be calibrated, tested, and maintained in accordance with Prudent Practice. Measurement and payment shall be on a net MMBtu basis after conditioning of the landfill gas to remove impurities to meet Cascade's natural gas specifications for commercial use. The County shall have the right to access such meter for inspection and shall also have access to meter calibration records and performance data upon request.

4.1.2. Title Transfer of Methane Gas. This Agreement shall not be deemed to grant to Cascade any rights to or interests in any oil or natural gas located under the Solid Waste Facility which is not produced by the Solid Waste Facility. Title transfer of the Landfill-produced methane gas between the parties shall occur at the Cascade measurement facilities identified in section 4.1.1., at which location title shall transfer from the County to Cascade. Cascade shall have full discretion as to the ultimate use of the RNG and all associated Environmental Attributes.

4.2. Environmental Attributes. The Parties agree that 100% of all carbon credits, renewable thermal or energy credits, emission credits, or other certification of emission reduction or carbon methane destruction or displacement attributable to the extraction of landfill gas from the Solid Waste Facility (hereinafter “Credits”) shall inure to the benefit of and be the property of Cascade or its assignee or designee. The County agrees to execute any assignment, or other document reasonably requested by Cascade transferring any right of the County in the Credits or acknowledging Cascade’s interest and ownership in the Credits. Cascade shall have full discretion as to the ultimate use of the RNG and all associated Environmental Attributes.

4.3. Taxes. The Parties’ respective responsibilities for taxes arising under or in connection with this Agreement shall be as follows:

4.3.1. Personal, Property and Income Taxes. Each Party shall be responsible for any personal or real property taxes on property it owns or leases, and taxes on its share of any proceeds received pursuant to this Agreement.

4.3.2. Sales, Use, Excise and Value-Added Taxes. The Parties shall be responsible for any sales, use, excise, value-added, services, consumption, and other taxes and duties payable by that Party on any goods or services used or consumed by that Party in the methane gas extraction process where the tax is imposed on that Party’s acquisition or use of such goods or services and the amount of tax is measured by that Party’s costs of acquiring such goods or services.

4.4. Payments, Billings, and Statements. Beginning the month following the Commissioning Date, Cascade will prepare and deliver each month to the County a written statement for the preceding month prepared in accordance with, and subject to the terms and conditions in the Agreement. Such statement shall be dated and delivered to the County on or before the 10th day of the month in which it is prepared (e.g., the month following the delivery of the landfill gas reflected therein) and shall set forth the total amount due by Cascade under Section 4.1.1. Amounts due and owed shall be paid by Cascade not later than fifteen (15) days after the date of such statement. Amounts not paid when due under this section, shall accrue interest at one hundred five percent (105%) of the Federal Reserve Prime Rate of interest, as quoted in the *Wall Street Journal*. Such interest due shall accrue from the due date to the date of payment.

In the event any portion of any statement submitted is disputed, the undisputed amount shown to be due shall be paid by the due date. Any additional amount subsequently determined to be due shall be paid with interest at the rate stated above upon determination of the correct amount due. Any amount of an invoice determined to have been overpaid shall be refunded with interest at the rate stated above.

The Parties shall have one (1) years after receipt or delivery of any statement to question the correctness thereof. If a statement has not been challenged in writing by either Party during such one-year period, then such statement shall become final for all purposes and no longer subject to challenge or adjustment.

5. OPERATION OF FACILITIES

5.1. Operational Responsibilities.

5.1.1. Operation and Maintenance. All operation and maintenance of the Facilities shall be performed in accordance with Prudent Practice, the Solid Waste Disposal Site Permit issued to the County by Oregon DEQ State, the modified Title V Permit to be procured by the County, and Division 239 requirements, including the operating, monitoring, and recordkeeping requirements included therein. The Parties acknowledge that a more comprehensive operations and maintenance plan will be mutually negotiated between the parties, in good faith. Preliminarily, the Parties have agreed operational

responsibilities with respect to the Facilities shall be split as follows:

- 5.1.1.1. Compliance Flare.** Cascade hereby agrees to perform the day-to-day operation of the Compliance Flare. The County shall be solely responsible for the cost of operation and maintenance of the Compliance Flare, including but not limited to, the cost of any and all supplemental gas appurtenances and on-going capital costs, and shall reimburse the same to Cascade as necessary. The County hereby reserves the option to take over operation of the Compliance Flare in the future. The County shall provide at least six (6) months' written notice to Cascade prior to exercise of this option.
- 5.1.1.2. RNG Production Facility.** Cascade shall operate the RNG Production Facility and shall be solely responsible for all operational and capital costs for the RNG Production Facility.
- 5.1.1.3. Active Gas Collection System.** Operation of the Active Gas Collection System (Existing and Expansion) shall be as follows:

 - 5.1.1.3.1.** Cascade is entitled to the use of this system for the duration of the Agreement and shall have discretion as to the operation of the same.
 - 5.1.1.3.2.** Cascade shall be responsible for general operation of the Active Gas Collection System, including measuring gauge pressure and temperature in the gas collection header monthly and monitoring static pressure, dynamic pressure, temperature, CH₄, CO₂, N₂, and O₂ composition of the gas monthly in the Mitigation, Perimeter and RNG production well heads. Cascade shall perform all operation, monitoring and maintenance of the Active Gas Collection System in compliance with the Landfill Title V Permit and Division 239 requirements. Cascade shall provide Active Gas Collection System monitoring data required for permit compliance and reporting to the County for incorporation into required report submittals specified in the Landfill Title V Permit and Division 239 requirements.
 - 5.1.1.3.3.** The County shall perform surface emissions monitoring as required by any applicable regulation and provide the report to Cascade within 10 business days of receiving the results.
 - 5.1.1.3.4.** Cascade shall be responsible for the operation and maintenance of any condensate sumps that are associated with the Active Gas Collection System.
 - 5.1.1.3.5.** Cascade shall construct any piping required to convey compressed air furnished by the County from the Existing Active Gas Collection System to new sumps that are associated with the Active Gas Collection System. The County shall provide compressed air for condensate sump operation associated with the Active Gas Collection System at no cost to Cascade.
 - 5.1.1.3.6.** Cascade shall construct any piping required to convey condensate from new condensate sumps that are associated with the Active Gas Collection System to the condensate piping system for the Existing Active Gas Collection System or to mutually agreeable discharge points within Knott Landfill. The County shall provide condensate disposal in Knott Landfill at no charge to Cascade.
 - 5.1.1.3.7.** Cascade shall be entitled to access Active Gas Collection System maps maintained by the County. Upon request of Cascade, the County shall also provide Cascade with planning records and gas monitoring data from the Active Gas Collection System. All such records shall remain the property of the County.
 - 5.1.1.3.8.** Cascade shall provide locating assistance to the County for any parts of the Active Gas Collection System that were installed by Cascade. Cascade shall use reasonable efforts to

accurately locate and mark underground facilities in places where no locate wire was used, and the County acknowledges that there are areas where locates will be difficult for the Active Gas Collection System.

5.1.1.3.9. The County shall provide locating assistance to Cascade for any parts of the Active Gas Collection System that were installed by the County. The County shall use reasonable efforts to accurately locate and mark underground facilities in places where no locate wire was used, and Cascade acknowledges that there are areas where locates will be difficult for the Active Gas Collection System.

5.1.1.3.10. The County shall be responsible for the cost of any repairs to the Active Gas Collection System related to or caused by the County, its employees, agents, contractors, invitees, or any other parties under the direction or control of the County, regardless of whether the damage was caused by the County's acts, omissions, or negligence, or whether the County was otherwise at fault. The County shall use reasonable care when working in areas where underground Facilities are located.

5.1.1.3.11. Cascade shall be responsible for the cost of any repairs to parts of the Active Gas Collection System accurately located by the County related to or caused by Cascade, its employees, agents, contractors, invitees, or any other parties under the direction or control of Cascade, regardless of whether the damage was caused by Cascade's acts, omissions, or negligence, or whether Cascade was otherwise at fault. Cascade shall use reasonable care when working in areas where underground Facilities are located. Cascade shall not be responsible for the cost of repairs to the Active Gas Collection System related to or caused by Cascade, its employees, agents, contractors, invitees, or any other parties under the direction or control of Cascade if the damaged facilities were not accurately located.

5.1.1.3.12. The County shall be responsible for the cost of any other repairs to the Existing Active Gas Collection System and or expansion areas of the Mitigation Collection System.

5.1.1.3.13. Cascade shall be responsible for the cost of any other repairs to Active Gas Collection System Expansion.

5.1.1.4. Leachate Recirculation System.

5.1.1.4.1. The County shall operate the Leachate Recirculation System and shall be solely responsible for all operational and capital costs for the Leachate Recirculation System.

5.1.1.4.2. Cascade shall be solely responsible for any operational and capital costs for modifications made to the connection of the Active Gas Collection System to the Leachate Recirculation System.

5.1.1.4.3. The County shall provide to Cascade its operational plans for the Leachate Recirculation System to provide Cascade the opportunity to provide feedback on those plans. The County shall work with Cascade to manage the Leachate Recirculation System in a manner that benefits the RNG collection process where practical.

5.1.2. Personnel. Cascade shall ensure that all of its own operational personnel working on the Facilities ("Cascade Personnel") are trained and experienced in the operation of gas facilities. The County shall ensure that any of its personnel or contractors working on the Facilities are appropriately trained and experienced.

5.1.3. Utility Expense. Cascade shall be responsible for arranging direct utility hook-ups (electricity,

water, sewer, leachate, condensate, communications, etc.) needed for the RNG Production Facility and for paying any utility expenses associated with the operation of the RNG Production Facility directly to utility suppliers. The County shall be responsible for arranging direct utility hook-ups (electricity, water, sewer, leachate, condensate, communications, etc.) needed for the Compliance Flare, Active Gas Collection System, and Leachate Recirculation System and for paying any related utility expenses directly to utility suppliers. Upon mutual written agreement of the Parties utility expense can be prorated when mutually beneficial.

5.1.4. O&M Expense Reimbursement. Cascade will bill the County quarterly for the cost of its actual time and materials expended in operation or maintenance of any County owned facilities, primarily the Compliance Flare. It shall not include operational costs related to mutually beneficial operations. Cascade's activities related to the operation of the Active Gas Collection System including the sumps, will be considered mutually beneficial. The County shall pay said invoice within thirty (30) days of the invoice date. Amounts not paid when due pursuant to this Section will accrue interest at the rate set forth in Section 4.4 herein.

5.1.5. Curtailments. Cascade, in its sole discretion, may determine that regulatory requirements, market conditions, flow conditions or other operational considerations require the curtailment or the shutdown of any portion of the RNG Production Facility for any period of time. Further, industry and market conditions may require Cascade to curtail or shutdown the RNG Production Facility for equipment upgrades and replacement. Such curtailments and shutdowns shall not be considered a breach or event of default under this Agreement. Cascade agrees to provide prompt notification to the County for any curtailment where notification to the Oregon DEQ is required. The Parties shall continue to operate and maintain the Compliance Flare and Active Gas Collection System during curtailments pursuant to Sections 5.1.1.1. and 5.1.1.3.

5.1.6. Operational and Design Plans. Cascade will develop and maintain a Startup, Shutdown, and Malfunction Plan, which will be updated to include the Compliance Flare, a Monthly Monitoring Plan, and a Treatment System Monitoring Plan. Cascade shall develop and maintain Design Plans for the Active Gas Collection System expansion as required under Division 239 requirements.

5.1.7. Operational Emergency. If, in Cascade's reasonable judgment, it determines that any of the operations of the Facilities is creating an emergency or safety concern, endangering the Facilities or Cascade's gas transportation or distribution system, or other equipment or personnel, then Cascade may cease operations until the emergency or safety concern ceases to exist. To the extent necessary to comply with environmental or other regulatory requirements, the County will be permitted to flare gas from the landfill during the period of suspended operations. Cascade shall promptly notify the County of operational emergencies at the Facility. The Parties shall operate and maintain the Compliance Flare and Active Gas Collection System during Operational Emergencies that warrant shutdown of the RNG Production Facility pursuant to Sections 5.1.1.1. and 5.1.1.3.

5.2. Permits and Approvals.

5.2.1. Air Quality Permitting. Oregon DEQ may require the County to modify its minor source air contaminant discharge permit (ACDP) and/or Title V Operating Permit No. 09-0040-TV-01 to incorporate a thermal oxidizer (i.e. stationary emission source) from Cascade's RNG Production Facility. Cascade shall coordinate and fully cooperate with the County and supply the required information from the RNG Production Facility which may include a site plan, a detailed drawing of the thermal oxidizer, manufacturer specifications for a thermal oxidizer, and DEQ ACDP and/or Title V application forms specific to the thermal oxidizer portion of the application in order to modify either the County's ACDP and/or Title V Operating Permit. If Oregon DEQ requires a modified ACDP, the applicable requirements of Cascade's RNG Production Facility will be rolled into the County's Title V Operating Permit. The County shall take the lead of securing a modified ACDP and/or Title V Operating Permit. The County will have overall

responsibility to comply with the landfill gas collection and control system and Title V reporting requirements. In this context Cascade will cooperate fully with the County and will assist as requested by the County with all reporting, compliance and corrective measures required by Oregon DEQ. Cascade will be responsible for sanctions imposed by Oregon DEQ relative to the RNG Production Facility. Failure to correct permit violations relative to the RNG Production Facility that fall under the County's ACDP or Title V Permit requirements within the timelines prescribed by Oregon DEQ may constitute a material breach of this Agreement and be subject to termination for cause in accordance with Section 8.1 of this Agreement if Cascade is not cooperating with the County in a diligent and good faith manner in order to remedy said violation. For the avoidance of doubt, Cascade shall be entitled to the entire timeline prescribed by the Oregon DEQ in order to correct any applicable violation and must be reasonably shown to not be cooperating with the County in a diligent and good faith manner before the violation may be considered a material breach such that the procedures of Section 8.1 would apply. Cascade shall perform all operation, monitoring and maintenance of the Active Gas Collection System in compliance with the Landfill Title V Permit and Division 239 requirements. Cascade shall provide operation and monitoring data required for permit compliance and reporting to the County for incorporation into report submittals specified in the Landfill Title V Permit and Division 239 requirements. The County shall detail for Cascade what information is required for compliance under this section. Cascade shall be responsible for demonstrating compliance with the applicable requirements of Division 239 and NESHAP Subpart AAAA regardless whether or not these requirements are captured in the County's Title V Operating Permit. Cascade will pay annual Title V Operating Permit emission fees by capturing actual emissions generated from the thermal oxidizer over each calendar year that the Cascade RNG Production Facility is in operation. Additionally, Cascade will pay 25% of the total fee to renew the County's Title V Operating Permit every 5 years for this same time period.

5.2.2. Other Permits. Under current landfill conditions and future expansion, the County shall be responsible for obtaining any permits and clearances associated with the construction and operation of the Compliance Flare, Perimeter Wells, Mitigation Wells, Mitigation Collection System, RNG Collection System, RNG Production Wells, and Leachate Recirculation System from the appropriate governmental agencies. Cascade shall be responsible for obtaining any permits and clearances associated with the construction and operation of the RNG Production Facility from the appropriate governmental agencies. Cascade and the County will reasonably work together to obtain any permits required for the Facilities.

5.2.3. Regulatory Approval and Treatment. This Agreement may be subject to review and/or approval by the state regulatory commissions for the states in which Cascade operates its natural gas distribution system. If a regulatory commission disapproves this Agreement for any reason, or at any time determines the capital and operational costs of the Facilities and extracted gas are not fully recoverable by Cascade through its retail rates, Cascade may terminate this Agreement upon written notice to the County.

5.2.4. Landfill Compliance. The County is responsible for all compliance under any applicable regulation related to the operation of the Solid Waste Facility, including, without limitation, landfill gas management, including gas migration from the Solid Waste Facility. Cascade shall operate and maintain the Facilities in compliance with any applicable regulation related to the operation of the Solid Waste Facility, including landfill gas management. Said regulations expressly include, but are not limited to, federally approved State Plan and Division 239 regulation and NESHAP-Subpart AAAA. Cascade shall operate the Facilities in good faith in order to assist the County in complying with said regulations.

5.2.5. Additional Compliance. The Parties agree that additional compliance related activities may be required in the future. The provision of any such activities by the Parties shall be subject to the mutual agreement of both Parties and shall be added by written amendment to this Agreement.

6. INSURANCE

- 6.1. Delivery of Certificates of Insurance.** Cascade shall ensure that all of its employees as well as its contractors, subcontractors and their employees performing services in accordance with this Agreement have in effect Commercial General Liability Insurance, Workers' Compensation Insurance, Automobile Liability Insurance and Excess Liability Insurance with the coverage limits set forth in Exhibit 3. The liability coverages required by this section shall contain the following clauses: (i) "It is agreed that this policy shall not be canceled, non-renewed, or reduced in scope of coverage until after thirty (30) days written notice has been given to the County." (ii) "Deschutes County, its officers, agents and employees and volunteers are an additional insured under insurance policies evidenced by this certificate, as respects work done by the named insured for Deschutes County to the extent of Cascade's indemnity obligation included herein." (iii) "Insurance evidenced by this certificate is primary insurance for claims arising out of the named insured's operations". Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve Cascade for liability in excess of such coverage.
- 6.2. Proof of Insurance.** Upon request of the County, Cascade shall provide certification of insurance for coverage in types and amounts set forth in Exhibit 3 respectively for itself and any contractor or subcontractors engaged by it at the Solid Waste Facility.
- 6.3. Insurance Requirement – County.** The County shall maintain a General Liability insurance in a minimum amount of \$1,000,000 (one million) and carry excess liability insurance up to \$5,000,000 (five million). Cascade shall be included under the County's insurance as an additional insured. County may satisfy this obligation through its self-insurance program.

7. PERIODIC REVIEWS; AUDIT RIGHTS

- 7.1. Annual Reviews.** Cascade agrees to maintain its books and records in accordance with generally accepted accounting principles. The County shall have the right, upon reasonable notice to Cascade and at County expense, to inspect and audit those books and records and other supporting evidence of Cascade that the County deems necessary to verify: the quantity and quality of landfill gas extracted, conditioned, and transported from the Solid Waste Facility, and (ii) that Cascade is in compliance with the terms of this Agreement, regulatory authorities, or other laws and regulations that govern the operation of the Facilities.

8. TERMINATION

- 8.1. Termination for Cause.** In the event that Cascade or the County commits a material breach of this Agreement, which breach is not cured within thirty (30) days after notice of breach, the other Party may terminate this Agreement in whole or in part, as of the date specified in the notice of breach. If it is determined by a final order of a court of competent jurisdiction, that the County does not have title to all or a portion of the landfill gas extracted from the Solid Waste Facility, Cascade may terminate this Agreement upon one hundred eighty (180) days written notice unless the County shall acquire such title prior to the date of the termination set forth in the written notice. Any sanctions imposed by DEQ relative to the RNG Production Facility shall survive the termination for cause of this contract and remain the responsibility of Cascade.

8.2. Effect of Termination.

- 8.2.1. Reimbursement for RNG Production Facility.** In the event this Agreement is terminated by the County without cause or without written consent of Cascade less than twenty (20) years from the Commissioning Date, the County shall pay Cascade the greater of (1) the appraised fair market value of the RNG Production Facility, or (2) the net book value of the RNG Production Facility at the time of termination. This sum shall be calculated less the net salvage value of any equipment removed from the RNG Production Facility by Cascade.

8.2.2. Reimbursement for Active Gas Collection System. Cascade will amortize expenditures made for expansion of the County owned RNG Production Wells and RNG Collection System over a 20 year term. Upon termination of this Agreement, the County shall pay Cascade the unamortized portion of any contributions paid for the construction of County owned RNG Production Wells and RNG Collection System.

8.2.3. Removal of Facilities. Unless the County is required to pay for the Facilities pursuant to Paragraph 8.2.1, upon termination of this Agreement, Cascade shall have the right to remove the RNG Production Facility from the Solid Waste Facility and shall have the obligation, upon the written request of the County within six months of the termination date, to remove any above ground components of the RNG Production Facility from the Solid Waste Facility and restore the surface of the Solid Waste Facility where above ground RNG Production Facilities were located to a condition consistent with surrounding undisturbed areas of the Solid Waste Facility. Subject to mutual agreement between the County and Cascade, Cascade buried pipe may be abandoned in place upon termination.

8.2.4. Contamination Cleanup. Any surface or subsurface hazardous materials or other contamination of soils, buried pipe or other subsurface infrastructure related to RNG Production Facility operation during the term of this Agreement shall be the responsibility of Cascade to decontaminate or remove. In this context, Cascade will defend, hold harmless and indemnify the County, but shall not be required to indemnify, defend, or hold harmless, the County to the extent that the claims, damages, and/or loss are caused by the actions, omissions, or negligence of the County, its employees, contractors, subcontractors, invitees, or any other party under its direction or control.

8.2.5. Restoration of Active Gas Collection System Operations at Decommissioning. Unless the County is required to pay for the Facilities pursuant to Paragraph 8.2.1, upon termination of this Agreement Cascade shall execute and fund any infrastructure modifications necessary to provide for fully functional landfill gas collection and Compliance Flare operation at the time of RNG Facility decommissioning.

9. RELATIONSHIP OF THE PARTIES. Nothing in this Agreement will imply a joint venture, partnership, or principal-agent relationship between the Parties. Neither Party will have any right, power, or authority to act or create any obligation, express or implied, on behalf of the other Party, pursuant to this Agreement.

10. REPRESENTATIONS AND WARRANTIES

10.1. Work Standards. The Parties represent and warrant that design, construction and operation of the Facilities for which they are responsible pursuant to this Agreement shall be performed with promptness and diligence and shall be executed in a workmanlike manner, in accordance with the practices and high professional standards used in landfill gas extraction and recovery operations performing similar services. The Parties represent and warrant that an adequate number of qualified individuals with suitable training, education, experience, and skill shall be utilized to perform such services.

10.2. Compliance with Laws and Regulations. The Parties shall construct and operate the Facilities in accordance with all laws, rules, regulations, certificates, orders, ordinances, codes, and directives of all applicable authorities with jurisdiction over the Solid Waste Facility or the Facilities.

10.3. Title. The County represents and warrants to Cascade that it has good and marketable title to the gas hereunder and is able to transfer good and marketable title to Cascade pursuant to the terms of this Agreement.

10.4. Exclusivity. The County shall not contract with any other party for the sale of LFG from the Solid Waste Facility during the Term of this Agreement.

10.5. Sufficient Funds. The County warrants and represents that the County has sufficient funds available for all payment obligations incurred herein and that the County is in compliance with the Oregon Constitution in incurring the obligations.

10.6. Authority. Each Party represents and warrants that it has full and complete authority to enter into and perform this Agreement. Further, that this Agreement constitutes a legal, valid, and binding obligation, and is enforceable against it in accordance with its terms. Each person who executes this Agreement on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

11. INDEMNIFICATION

11.1. Cascade shall defend, protect, indemnify, and hold harmless the County, its officers, agents and employees, (collectively the “County Indemnitees”) from and against all liabilities, claims, costs, expenses, demands, suits and causes of action of every kind and character arising in favor of any person, corporation, or other entity, on account of personal injuries or death or damages to property to the extent caused by the acts or omission of Cascade, its employees, contractors, subcontractors, or agents.

11.2. Cascade further agrees, except as may be otherwise specifically provided herein, that the obligation of indemnification hereunder shall include, but not be limited to, expenses, claims, fines, and penalties or other enforcement charges, resulting from the failure of Cascade to abide by any and all valid and applicable laws, rules or regulations of any governmental or regulatory authority with jurisdiction.

11.3. To the extent permitted by Article XI, Section 10 of the Oregon Constitution and the Oregon Tort Claims Act, ORS Chapter 30, the County shall defend, protect, indemnify, and hold harmless Cascade and its directors, officers, employees, and agents (herein referred to as the “Cascade indemnitees”) from and against all liability, claims, costs, expenses, demands, suits and causes of action of every kind and character arising in favor of any person, corporation or other entity, on account of personal injuries or death or damages to property to the extent caused by acts or omission of the County, its employees, contractors, subcontractors or agents.

11.4. The County further agrees, except as may be otherwise specifically provided herein, that the obligation of indemnification hereunder shall include, but not be limited to, expenses, claims, fines, and penalties or other enforcement charges, resulting from the failure of the County to abide by any and all valid and applicable laws, rules or regulations of any governmental or regulatory authority with jurisdiction.

11.5. In connection with any claim or action described in this Section 11, the Party seeking indemnification will (a) give the indemnifying Party prompt written notice of the claim, (b) cooperate with the indemnifying Party (at the indemnifying Party’s expense) in connection with the defense and settlement of the claim, and (c) permit the indemnifying Party to control the defense and settlement of the claim, provided that the indemnifying Party must diligently defend the claim and may not settle the claim without the indemnified Party’s prior written consent (which will not be unreasonably withheld or delayed). Further, the indemnified Party (at its cost) may participate in the defense and settlement of the claim.

12. LIABILITY

12.1. Liability Restrictions. IN NO EVENT, WHETHER IN CONTRACT OR IN TORT (INCLUDING BREACH OF WARRANTY, NEGLIGENCE AND STRICT LIABILITY IN TORT), SHALL A PARTY BE LIABLE TO THE OTHER PARTY FOR INDIRECT, CONSEQUENTIAL, EXEMPLARY, PUNITIVE OR SPECIAL DAMAGES, ARISING OUT OF OR IN CONJUNCTION WITH THIS AGREEMENT.

12.2. Force Majeure and Other Events Excusing Performance. No Party shall be liable for any default or delay in the performance of its obligations under this Agreement (i) if and to the extent such default or delay is caused, directly or indirectly by: fire, flood, earthquake, elements of nature or acts of God, pandemic or epidemic, riots, civil disorders, explosions, breakage, accident or repairs to machinery, equipment or lines of pipe, inability to obtain or unavoidable delay in obtaining pipe, materials, equipment for Facilities, or compliance with any order or request of any governmental authority, or any other cause, whether similar or dissimilar to any above enumerated beyond the reasonable control of such Party (“Force Majeure”), (ii) provided the non-performing Party is without fault in causing such default or delay, and (iii) such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means.

In such event, the non-performing Party shall be excused from further performance or observance of the obligation(s) so affected for as long as such circumstances detailed above prevail and such Party continues to use its reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay. Any Party so delayed in its performance shall promptly as reasonably possible notify the Party to whom performance is due and describe at a reasonable level of detail the circumstances causing such delay.

13. CONTINUATION DURING DISPUTES

13.1. Continuation of Service. Pending final resolution of any dispute, whether or not submitted to arbitration hereunder, the County and Cascade shall continue to fulfill their respective obligations under this Agreement.

14. MISCELLANEOUS

14.1. Notices under this Agreement shall be sufficient only if personally delivered by a commercial prepaid delivery or courier service or mailed by certified or registered mail, return receipt requested to a Party at its address set forth below or as amended by notice pursuant to this Section 14.1. If not received sooner, notice by mail shall be deemed received five (5) business days after deposit in the U.S. mail. All notices shall be delivered as follows:

If to the County:
Deschutes County Solid Waste
61050 SE 27th Street
Bend, OR, 97702
Attn: Director of Solid Waste

If to Cascade:
Cascade Natural Gas Corporation
555 S. Cole Road
Boise, ID 83709
Attention: EVP Business Development and Gas Supply

14.2. Binding Nature; Entire Agreement. The County and Cascade acknowledge (i) that each has read and understands the terms and conditions of this Agreement and agrees to be bound by such terms and conditions, (ii) that this Agreement is the complete and conclusive statement of the agreement between the Parties, and (iii) that this Agreement sets forth the entire agreement and understanding between the Parties relating to the subject matter hereof. All understandings and agreements, oral and written, heretofore made between the County and Cascade relating to the subject matter hereof is merged in this

Agreement which alone, fully and completely expresses their agreement on the subject matter.

- 14.3. Amendment.** No modification of additions to or waiver of this Agreement shall be binding upon the County or Cascade unless such modification is in writing and signed by an authorized representative of each Party.
- 14.4. Severability.** If any term or provision of this Agreement shall to any extent be held by a court or other tribunal to be invalid, void or unenforceable, then that term or provision shall be inoperative and void insofar as it is in conflict with law, but the remaining terms and provisions of this Agreement shall nevertheless continue in full force and effect and the rights and obligations of the Parties shall be deemed to be restated to reflect nearly as possible the original intentions of the Parties in accordance with applicable law.
- 14.5. Headings.** Headings used in this Agreement are for reference and convenience only and are not to be deemed or construed to be part of this Agreement.
- 14.6. Compliance with Laws and Regulations.** Each Party shall perform its obligations in a manner that complies with the laws, rules, certificates, regulations, ordinances codes, orders and directives of all applicable authorities with jurisdiction over the Solid Waste Facility or the Facilities. If a Party is charged with a failure to comply from any such applicable authority, the Party charged with such non-compliance shall promptly notify the other Party of such charges in writing.
- 14.7. Governing Law and Venue.** This Agreement shall be construed and enforced in accordance with the laws of the State of Oregon, and not, by the application of choice of law principles, the laws of any other state. Venue for any suit between the parties arising out of this Agreement shall be in the Circuit Court of the State of Oregon, Deschutes County.
- 14.8. Nondiscrimination.** Cascade agrees that all hiring of persons performing work pursuant to this Agreement or any sub-agreements by Cascade and/or its contractors and subcontractors will be on the basis of merit and qualification and Cascade will not discriminate on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin.
- 14.9. Binding Nature and Assignment.** This Agreement shall be binding on the Parties hereto and their respective successors and assigns. Neither Party may or shall have the power to assign this Agreement without the prior written consent of the other party which consent will not be unreasonably withheld, except that Cascade may assign its rights and obligations under this Agreement without the approval of the County to an entity which acquires all or substantially all of its assets of Cascade, or to any subsidiary or affiliate or successor in a merger or acquisition of Cascade. In no event shall any assignment or partial assignment hereunder relieve the assigning Party of its obligations under this Agreement without the written consent of the other Party and any assignment or partial assignment hereunder is subject to the written assumption by the assignee of the obligations of the assigning Party.
- 14.10. No Waivers.** Failure or delay on the part of the County or Cascade to exercise any right, power or privilege under this Agreement shall not constitute a waiver of any right, power or privilege of this Agreement.
- 14.11. Survival.** Any provision of this Agreement which contemplates performance or observance subsequent to any terminations or expiration of this Agreement shall survive any termination or expiration of this Agreement and continue in full force and effect.

IN WITNESS WHEREOF, the County and Cascade have caused this Agreement to be executed effective as of the date first written above.

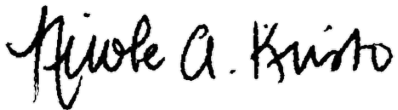
DESCHUTES COUNTY

Dated this ____ of _____, 2023

NICK LELACK, County Administrator

CASCADE NATURAL GAS CORPORATION

Dated this 13 of March, 2023



NICOLE KIVISTO, President & CEO

Exhibits:

- Exhibit 1: Existing Facilities Description
- Exhibit 2: Facilities Easement Agreement
- Exhibit 3: Minimum Insurance Requirement

Exhibit 1

EXISTING FACILITIES DESCRIPTION

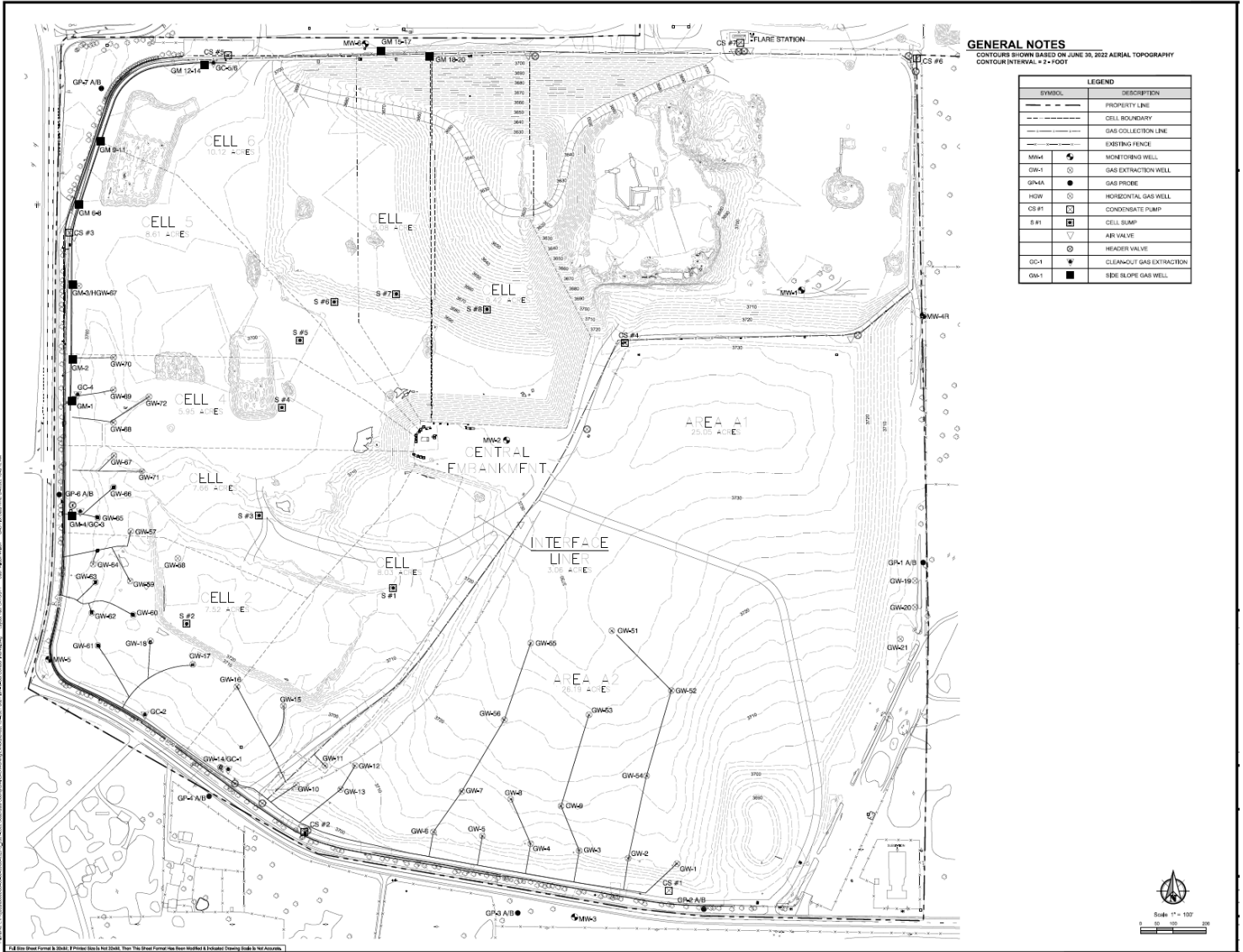
1. Compliance Flare: Parnell Biogas, Inc. 2000 scfm Skid-Mounted Shrouded Candlestick Flare
2. Existing Landfill Gas Collection System Equipment

Vertical Landfill Gas (LFG) Extraction Wells ¹⁾		Side Slope LFG Extraction Wells ¹⁾	Cell Clean Out Pipe LFG Extraction Ports ¹⁾	LFG Collection System Condensate Pumps ²⁾
GW-1S	GW-17	GM-1	Cell 1	CS-1
GW-2S	GW-18	GM-2	Cell 2	CS-2
GW-3S	GW-51	GM-3	Cell 3	CS-3
GW-4S	GW-52	GM-4	Cell 4	CS-4
GW-4D	GW-53	GM-5	Cell 5	CS-5
GW-5S	GW-54	GM-6		CS-6
GW-5D	GW-55	GM-7	Leachate Recirculation System LFG Extraction Ports ¹⁾	
GW-6S	GW-56	GM-8		
GW-6D	GW-57	GM-9		
GW-7S	GW-58	GM-10		
GW-7D	GW-59	GM-11	Cell 1R	
GW-8S	GW-60	GM-12	Cell 2R	
GW-8D	GW-61	GM-13	Cell 3R	
GW-9S	GW-62	GM-14	Cell 4R	
GW-9D	GW-63	GM-15	Cell 5R	
GW-10D	GW-64	GM-16	Cell 6R	
GW-11S	GW-65	GM-17	Cell 7E	
GW-11D	GW-66	HGW-67	Cell 7W	
GW-12S	GW-67		Cell 8R	
GW-12D	GW-68			
GW-13D	GW-69			
GW-14	GW-70			
GW-15	GW-71			
GW-16	GW-72			

Notes:

¹⁾ All wellheads and extraction ports are equipped with Elkins Earthworks Flo-Wing Wellhead.

²⁾ All condensate pumps are equipped with Clean Earth AP4 pneumatic pumps.



Existing Landfill Gas Collection System Layout Map.

Exhibit 2
Contract No. 2023-115
FACILITIES EASEMENT AGREEMENT

The Facilities Easement Agreement (“Agreement”) dated as of _____, 2023 is by and between Deschutes County (“County”), a political subdivision of the State of Oregon, and Cascade Natural Gas Corporation (“Cascade”), a corporation organized under the laws of Washington

WITNESSETH:

WHEREAS, CASCADE and the County entered into a Landfill Gas Sales Agreement dated as of _____, 2023, the (“Landfill Gas Agreement”) pursuant to which the County granted CASCADE the right to extract, condition, transport and purchase methane gas from a Landfill owned by the County, and

WHEREAS, the Landfill Gas Agreement requires that the County grant an easement to CASCADE in the form of this Agreement. Any capitalized term used in this Agreement and not defined herein shall have the meaning assigned to such term in the Landfill Gas Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein the Parties agree as follows:

1. Subject to the terms and conditions hereinafter set forth, the County hereby grants to CASCADE the right, privilege and easement, hereinafter referred to as “Easement,” to use, operate, construct, reconstruct, repair, maintain and have access for the Facilities on, over, under and across that real property as described in Exhibit A, attached hereto and incorporated herein, to as the “Landfill Site” including the right of ingress and egress from the real property.

2. The Easement hereby granted shall be non-exclusive, and the County, its successors and assigns, shall reserve the right to use and to grant to others, subject to the terms hereof, the right to use the property encumbered by the Easement for any and all purposes, including the right to cross over or under the Easement for any purposes, provided that the exercise by County or others of such rights to use, and the use of the land encumbered by the Easement shall not be for the purpose of constructing or operating methane gas recovery facilities and shall not be inconsistent with the grant of the Easement to CASCADE. Subject to the limitations set forth in the foregoing sentence, but without otherwise limiting the foregoing, the County shall have the right to use the property encumbered by the Easement and to cross over the Easement for the operation and maintenance of its Landfill consistent with the terms and conditions of the Landfill Gas Agreement.

3. CASCADE covenants and agrees that it will not permit or suffer any lien to be put upon or to arise on or accrue against the Easement in favor of any person or persons, individual or corporate, furnishing either labor or material in connection with any work done or permitted to be done by CASCADE on the Facilities, and CASCADE further covenants and agrees to hold the County harmless against and to keep the Easement free from any and all liens or claims of liens which may or might arise or accrue or be based upon any mechanic’s lien law of the State of Montana, now in force or hereinafter enacted, by reason of CASCADE’s exercise of the rights and privileges granted hereunder, and in the event any such lien shall arise or accrue against the Landfill Site, CASCADE agrees to promptly cause the release of same.

4. Provided that CASCADE is in full compliance with the terms and conditions of the Landfill Gas Agreement and this Agreement, the County agrees that CASCADE may enforce this Agreement by a suit for specific performance.

5. In the event of damage to or destruction of the Facilities, CASCADE agrees to promptly repair and restore the same. CASCADE shall keep the Facilities and the Easement free of any trash or debris.

6. Notwithstanding the grant of the Easement, but subject to the provisions of the Landfill Gas Agreement, CASCADE shall at all times and at its sole cost and expense keep the Facilities in good repair and in compliance with all applicable governmental rules and regulations. CASCADE shall procure, at its sole cost and expense, any permits or licenses necessary for the use and operation of the Facilities and will pay any and all taxes assessed thereon or attributable thereto.

7. The Easement hereby granted shall cease and terminate in its entirety (except as to any indemnities or warranties herein contained) upon the first to occur of the following:

- a. the mutual agreement of the County and CASCADE,
- b. non-use of the Facilities for a period of two consecutive years, or
- c. the date which is twelve months after the expiration or termination of the Landfill Gas Agreement.

8. Upon any such termination, CASCADE agrees to: (i) execute such waivers, releases or other instruments in recordable form as may be necessary to evidence such termination, (ii) release any interest which CASCADE may have in and to the Easement by reason of this Agreement, and (iii) remove the Facilities from the Landfill Site and restore the Landfill Site to its pre-construction condition.

9. This Agreement and the covenants and conditions herein contained shall run with the land and shall be binding upon the successors and assigns of the parties hereto.

10. Except as otherwise provided in this Agreement, neither party shall assign this Easement or any of its rights or obligations hereunder except with the consent of the other party, which consent shall not be unreasonably withheld. Any such assignment is subject to the written assumption by the assignee of the obligations of such party hereunder. Any company or other entity succeeding by purchase, merger or consolidation to the properties, substantially as an entity, of CASCADE shall be entitled to the rights and be subject to the obligations of its predecessor under this Agreement without the necessity of obtaining the consent of the County.

11. Any notice, demand or election under this Agreement shall be deemed properly given if sent by United States mail and addressed as follows:

If to the County: Deschutes County Solid Waste
61050 SE 27th Street
Bend, OR 97702
Attn: Director of Solid Waste

If to CASCADE: Cascade Natural Gas Corporation
555 S. Cole Road
Boise, ID 83709
Attention: EVP Business Development and Gas Supply
or as otherwise provided by notice given as herein provided.

12. This Agreement may not be modified or amended except by written agreement of the parties.

13. This Agreement and the rights and obligations of the Parties shall be governed by

and interpreted in accordance with the laws of the State of Montana and not, by the application of choice of law principles, the laws of any other state.

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed and delivered as of the date first above written.

Deschutes County

By: _____

Title: _____

Date: _____

Cascade Natural Gas Corporation

By: _____

Title: _____

Date: _____

STATE OF _____)

: SS

COUNTY OF _____)

On this _____ day of _____, 2023, before me personally appeared _____ known to me to be the same person described in and who executed the above and foregoing instrument and acknowledged to me that he/she executed the same.

(SEAL)

Notary Public Signature

STATE OF _____)

:SS

COUNTY OF _____)

On this _____ day of _____, 2023, before me personally appeared _____ known to me to be the _____ of Cascade Natural Gas Corporation, and acknowledged to me that such corporation executed the same.

(SEAL)

Notary Public Signature

EXHIBIT 3

DESCHUTES COUNTY SERVICES CONTRACT
Contract No. 2023-115
INSURANCE REQUIREMENTS

Contractor shall at all times maintain in force at Contractor's expense, each insurance noted below. Insurance coverage must apply on a primary or non-contributory basis. All insurance policies, except Professional Liability, shall be written on an occurrence basis and be in effect for the term of this contract. Policies written on a "claims made" basis must be approved and authorized by Deschutes County.

Contractor Name: Cascade Natural Gas Corporation

Workers Compensation insurance in compliance with ORS 656.017, requiring Contractor and all subcontractors to provide workers' compensation coverage for all subject workers, or provide certification of exempt status. Worker's Compensation Insurance to cover claims made under Worker's Compensation, disability benefit or any other employee benefit laws, including statutory limits in any state of operation with Coverage B Employer's Liability coverage all at the statutory limits. In the absence of statutory limits the limits of said Employers liability coverage shall be not less than \$1,000,000 each accident, disease and each employee. This insurance must be endorsed with a waiver of subrogation endorsement, waiving the insured's right of subrogation against County.

Professional Liability insurance with an occurrence combined single limit of not less than:

<u>Per Occurrence limit</u>	<u>Annual Aggregate limit</u>
<input type="checkbox"/> \$1,000,000	<input type="checkbox"/> \$2,000,000
<input type="checkbox"/> \$2,000,000	<input type="checkbox"/> \$3,000,000
<input type="checkbox"/> \$3,000,000	<input type="checkbox"/> \$5,000,000

Professional Liability insurance covers damages caused by error, omission, or negligent acts related to professional services provided under this Contract. The policy must provide extended reporting period coverage, sometimes referred to as "tail coverage" for claims made within two years after the contract work is completed.

Required by County Not required by County (one box must be checked)

Commercial General Liability insurance with a single combined limit of not less than:

<u>Per Single Claimant and Incident</u>	<u>All Claimants Arising from Single Incident</u>
<input type="checkbox"/> \$1,000,000	<input type="checkbox"/> \$2,000,000
<input checked="" type="checkbox"/> \$2,000,000	<input checked="" type="checkbox"/> \$3,000,000
<input type="checkbox"/> \$3,000,000	<input type="checkbox"/> \$5,000,000

Commercial General Liability insurance includes coverage for personal injury, bodily injury, advertising injury, property damage, premises, operations, products, completed operations and contractual liability. The insurance coverages provided for herein must be endorsed as primary and non-contributory to any insurance of County, its officers, employees or agents. Each such policy obtained by Contractor shall provide that the insurer shall defend any suit against the named insured and the additional insureds, their officers, agents, or employees, even if such suit is frivolous or fraudulent, but only with respect to and to the extent of the liabilities assumed by Contractor under the indemnity provisions of this agreement.

The policy shall be endorsed to name ***Deschutes County, its officers, agents, employees and volunteers as an additional insured.*** The additional insured endorsement shall not include declarations that reduce any per occurrence or aggregate insurance limit. The contractor shall provide additional coverage based on

any outstanding claim(s) made against policy limits to ensure that minimum insurance limits required by the County are maintained. Construction contracts may include aggregate limits that apply on a “per location” or “per project” basis. The additional insurance protection shall extend equal protection to County as to Contractor or subcontractors and shall not be limited to vicarious liability only or any similar limitation. To the extent any aspect of this Paragraph shall be deemed unenforceable, then the additional insurance protection to County shall be narrowed to the maximum amount of protection allowed by law.

Required by County Not required by County (One box must be checked)

Claims Made Policy: Approved by County Not Approved by County

Automobile Liability insurance with a combined single limit of not less than:

Per Occurrence

\$500,000

\$1,000,000

\$2,000,000

Automobile Liability insurance includes coverage for bodily injury and property damage resulting from operation of a motor vehicle. Commercial Automobile Liability Insurance shall provide coverage for *any* motor vehicle (symbol 1 on some insurance certificates) driven by or on behalf of Contractor during the course of providing services under this contract. Commercial Automobile Liability is required for contractors that own business vehicles registered to the business. Examples include: plumbers, electricians or construction contractors. An Example of an acceptable personal automobile policy is a contractor who is a sole proprietor that does not own vehicles registered to the business.

Required by County Not required by County (one box must be checked)

Additional Requirements. Contractor shall pay all deductibles and self-insured retentions. A cross-liability clause or separation of insured's condition must be included in all commercial general liability policies required by this Contract. Contractor's coverage will be primary in the event of loss.

Tail Coverage. If any of the required insurance policies is on a “claims made” basis, Contractor shall maintain either “tail” coverage or continuous “claims made” liability coverage, provided the effective date of the continuous “claims made” coverage is on or before the effective date of this Contract, for a minimum of twenty-four (24) months following the later of : (i) Contractor's completion and County 's acceptance of all Services required under this Contract or, (ii) the expiration of all warranty periods provided under this Contract.

Certificate of Insurance Required. Contractor shall furnish a current Certificate of Insurance to the County with the signed Contract. Contractor shall notify the County in writing at least 30 days in advance of any cancellation, termination, material change, or reduction of limits of the insurance coverage. The Certificate shall also state the deductible or, if applicable, the self-insured retention level. Contractor shall be responsible for any deductible or self-insured retention. If requested, complete copies of insurance policies shall be provided to the County.

Risk Management review

Date