



ADDITIONAL MEETING
MATERIALS
KING COUNTY
COUNCIL

7/18/25

Replace version that came out
of 7/15 TrEE with final

[T. Rose]

Sponsor: Quinn

Proposed No.: 2025-0176

AMENDMENT TO PROPOSED ORDINANCE 2025-0176, VERSION 2

Strike Attachment A, Asset Purchase Agreement (Final 7-14-25), dated July 14, 2025,
and insert Attachment A, Asset Purchase Agreement - 7.18.25 Final, dated July 18, 2025.

**EFFECT prepared by T. Rose: Amendment 1 would replace the version of the Asset
Purchase Agreement dated 7-14-25 that was voted out of the July 15th TrEE
committee with the final Asset Purchase Agreement provided by Executive staff and
dated 7-18-25. This final 7-18-25 version of the Asset Purchase Agreement:**

- **Makes general cleanup changes, including correction of grammatical,
internal reference, and other inadvertent errors; adds page numbers; and
adds terms to the Definitions list in Sec. 1.1 of the Asset Purchase Agreement
that were already used and defined in the body of the Agreement.**
- **Includes the three documents that were missing from the 7-14 version:**
 - **Schedule 7.5 – the Allocation of Purchase Price (for Tax Purposes),
which informs the taxes to be incurred by the County and BEW as a
result of the acquisition transaction;**
 - **Exhibit A to Exhibit E (License Agreement) – Copy of the Palumbo
Patent, which is the subject of the License Agreement; and**

19 ○ The Software Summary referenced in Schedule 2.1(e); and
20 • Corrects language in the Transition Services Agreement (Exhibit D), Sec.
21 5.03 -- Purchaser Indemnification of Seller. According to Executive staff, the
22 language in this section in the 7/14 version that came out of the 7/15 TrEE
23 committee meeting was incorrect. Executive staff confirmed that the
24 corrected language included in this final version of the Asset Purchase
25 Agreement is what was agreed to by BEW and the County.
26

ASSET PURCHASE AGREEMENT

by and between

**KING COUNTY
as Purchaser**

and

**BIO-ENERGY (WASHINGTON), LLC
as Seller**

[●], 2025

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SCHEDULES AND EXHIBITS

Exhibit A	Settlement Agreement (22 pages, inclusive of all exhibits)
Exhibit B	Form of Assignment and Assumption Agreement (2 pages)
Exhibit C	Form of Bill of Sale (1 page)
Exhibit D	Form of Transition Services Agreement (16 pages, inclusive of Table of Contents, cover page, and exhibit)
Exhibit E	Form of License Agreement (18 pages, inclusive of all exhibits)
Schedule 2.1(b)	Personal Property (13 pages, inclusive of all exhibits)
Schedule 2.1(c)	Transferred Contracts (1 page)
Schedule 2.1(d)	Transferred Permits (1 page)
Schedule 2.1(e)	Transferred Intellectual Property (2 pages, inclusive of attachment)
Schedule 3.3(a)(ix)	Consents (1 page)
Schedule 7.5	Allocation of Purchase Price (1 page)

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this “**Agreement**”) is entered into as of [●], 2025 (the “**Effective Date**”), by and between Bio-Energy (Washington), LLC, a Delaware limited liability company (“**Seller**”), and King County, a Washington municipal corporation (“**Purchaser**” and, together with Seller, the “**Parties**,” and each, a “**Party**”).

RECITALS

WHEREAS, Seller and Purchaser entered into a Settlement Agreement and Releases, dated March 20, 2025, a copy of which is attached as Exhibit A (the “**Settlement Agreement**”), whereby the Seller agreed, among other things, to sell the Purchased Assets, and the Purchaser agreed, among other things, to purchase the Purchased Assets, on the terms and conditions set forth in this Agreement; and

WHEREAS, pursuant to the terms of the Settlement Agreement, Purchaser has deposited an earnest money payment of \$3,000,000 into the Court Registry for the United States District Court for the Western District of Washington, which amount is subject to distribution in accordance with the terms of the Settlement Agreement; and

WHEREAS, pursuant to the terms of the Settlement Agreement, Purchaser has undertaken a due diligence investigation of the Plant, its operations, and certain other matters, as described more fully in the Settlement Agreement; and

WHEREAS, pursuant to the terms of the Settlement Agreement, (i) Seller and Purchaser have entered into the Interim and Temporary Co-Generator Agreement dated April 30, 2025 (the “**Co-Generator Agreement**”); (ii) Seller has operated the Plant consistent with normal commercial practice for the Demonstration Period; and (iii) Purchaser has sampled and evaluated Product Gas production volume and quality, including testing the Product Gas to determine whether it contains arsenic or any other constituents that could potentially prevent its injection into the Transfer Line, or otherwise impact the sale of such Product Gas, all as described more fully in the Settlement Agreement; and

WHEREAS, Purchaser has obtained approval from the King County Council to execute this Agreement through approval of an Appropriations Ordinance or otherwise; and

WHEREAS, pursuant to the terms of the Settlement Agreement, Seller has suspended all pending requests under the Washington Public Records Act, Title 42, Revised Code of Washington, and agreed not to file any new requests thereunder, and will withdraw all pending requests at the Closing; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged by the Parties, the Parties, intending to be legally bound, agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Definitions. As used in this Agreement, the following capitalized terms have the meanings indicated below, which definitions shall control and take precedence, for purposes of interpreting this Agreement, over any like term used in the Settlement Agreement:

“**Affiliate**” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, such Person. As used in this definition, the term “control,”

“controlling,” “controlled by” or “under common control with” shall mean the possession, through the ownership of voting securities, voting interests, by contract, or otherwise, of the right to direct or cause the direction of management or policies of the Person. “Control” also includes the following: (a) direct or indirect ownership of 50% or more of the voting interests, securities, or equity of a Person, (b) the direct or indirect ability to elect 50% or more of the board of directors or other governing body of the Person, or (c) with respect to a partnership, limited liability company, or other unincorporated association, the direct or indirect right to a share of 50% or more of its net assets or net income of such entity.

“**Agreement**” has the meaning specified in the introductory paragraph.

“**Applicable Law**” means, with respect to the Parties, any applicable statute, common law, treaty, rule, code, ordinance, protocol, regulation, governmental approval, interpretation, certificate or order of any Governmental Authority, or any judgment, decision, decree, injunction, order or the like of any court, arbitrator or other Governmental Authority currently in effect.

“**Appropriations Ordinance**” means an ordinance or ordinances adopted by the King County Council authorizing Purchaser to execute and deliver this Agreement and perform the transactions contemplated by this Agreement and the other Transaction Documents, and appropriating the funds necessary to pay the Purchase Price and the Settlement Amount, and otherwise fulfill the terms of this Agreement and the other Transaction Documents.

“**Assignment Agreement**” means an assignment and assumption agreement, in the form attached to this Agreement as Exhibit B.

“**Assumed Liabilities**” has the meaning set forth in Section 2.3.

“**Bill of Sale**” means a bill of sale, in the form attached to this Agreement as Exhibit C.

“**Business Day**” means a day of the year that is not a Saturday, a Sunday or a day on which banks are not open for business in Seattle, Washington.

“**Claim**” means any claim, charge, complaint, demand, action, litigation, suit, arbitration, mediation, investigation by a Governmental Authority, or other proceeding, whether civil, criminal, administrative, judicial or quasi-judicial, in each case by or before a Governmental Authority.

“**Claim Notice**” has the meaning specified in Section 6.4.

“**Closing**” has the meaning specified in Section 3.2.

“**Closing Date**” has the meaning specified in Section 3.2.

“**Closing Deadline**” means August 29, 2025, unless otherwise agreed in writing by the Parties.

“**Co-Generator Agreement**” has the meaning specified in the Recitals.

“**Collection Facilities**” means the network of recovery wells and connecting pipes together with attendant valves, pumps, monitoring devices, knock-out vessels, vacuum pumps, blowers and compressors, and other extraction related equipment installed for the purpose of extracting and recovering Landfill Gas at the landfill, as more specifically described in Exhibit B to the PDA; *provided* that “Collection Facilities” shall expressly exclude the Expansion Collection Facilities; *provided further*, that “Collection Facilities” shall exclude the area known as landfill cell no. 1 or the main hill.

“Contract” means any contract, license, sublicense, lease, easement, mortgage, indenture, agreement or instrument which relates to the ownership and operation of the Plant, or any binding commitment to enter into any of the foregoing (in each case, whether written or oral) to which Seller is a party or by which any of the assets comprising the Plant are bound, but excluding Permits.

“Damages” has the meaning specified in Section 6.2.

“Demonstration Period” has the meaning specified in the Settlement Agreement.

“Direct Claim” has the meaning specified in Section 6.5.

“Due Diligence Period” has the meaning specified in the Settlement Agreement, and absent further agreement of the Parties, ends on July 18, 2025.

“Easement Area” has the meaning specified in Section 2.2 of the Lease.

“Effective Date” has the meaning specified in the introductory paragraph.

“Equipment” has the meaning specified in Section 2.1(b).

“Excluded Assets” has the meaning set forth in Section 2.2.

“Excluded Knowhow” has the meaning set forth in Section 2.2(h).

“Excluded Liabilities” has the meaning set forth in Section 2.4.

“Excluded Taxes” means (i) all Taxes of, imposed on or owed by Seller or any of its Affiliates for any period, (ii) all Taxes relating or attributable to the Excluded Assets or Excluded Liabilities for any period, (iii) all Taxes (including Periodic Taxes for which Seller is responsible pursuant to Section 7.2) relating or attributable to the Purchased Assets, the Plant, or the Assumed Liabilities for any taxable period ending on or prior to the Closing Date and, with respect to any Straddle Period, for the portion of such taxable period ending on and including the Closing Date, and (iv) Seller Transfer Taxes that are the responsibility of Seller pursuant to Section 7.1.

“Expansion Collection Facilities” means the network of recovery wells and connecting pipes together with attendant valves, pumps, monitoring devices, knock-out vessels, vacuum pumps, blowers and compressors, and other extraction related equipment installed for the purpose of extracting and recovering Landfill Gas from one or more Landfill Expansion Cells.

“Governmental Authority” means any domestic, foreign, federal, state, county, regional, provincial or local government, any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, department, bureau or entity, or any arbitrator, in each case with the authority to bind a Party, recognizing that King County is excluded as a “Governmental Authority” for purposes of this Agreement.

“Guild” means Guild Associates, Inc. of Dublin, Ohio.

“Guild Settlement Agreement” means that certain confidential settlement agreement entered into between Guild and Seller in May 2017.

“Indemnified Party” means a Purchaser Indemnified Party or a Seller Indemnified Party, as applicable.

“Indemnitor” has the meaning specified in Section 6.4.

“Inventory” has the meaning specified in Section 2.1(a).

“Landfill” means the existing landfill (including the Collection Facilities) commonly known as the Cedar Hills Regional Landfill and which is owned and operated by Purchaser and located on the Landfill Site. The term “Landfill” also includes each Landfill Expansion Cell and all Landfill Expansion Collection Facilities installed with respect to any Landfill Expansion Cell.

“Landfill Expansion Cell” means any portion of the Landfill that was opened for the acceptance of waste after February 29, 2008.

“Landfill Gas” means (a) methane, carbon dioxide and other gases produced by the anaerobic decomposition of waste material within the Landfill, and (b) any and all other materials, including entrained liquids, recovered in association with such methane, carbon dioxide and other gases, including all of the foregoing items set forth in clauses (a) and (b) that are generated in the Landfill and collected by the Collection Facilities or the Expansion Collection Facilities; *provided* that “Landfill Gas” shall expressly exclude any landfill gas generated in the landfill from the area known as cell no. 1.

“Landfill Site” means the real property consisting of an approximately 920-acre site located in Maple Valley, King County, Washington, as such real property is further described in Exhibit A to the PDA (which shall exclude the Plant Site).

“Lease” has the meaning specified in Section 3.4(a).

“Liability” means any liability (whether known or unknown, whether absolute or contingent, whether liquidated or unliquidated, and whether due or to become due), obligation or indebtedness, including any liability for Taxes.

“License Agreement” means the license agreement from Ingenco Holdings, LLC, a Delaware limited liability company, to Purchaser covering the Palumbo Patent substantially in the form attached to this Agreement as Exhibit E.

“Lien” means any mortgage, pledge, easement, security interest, charge, claim, option, conditional sale or other title retention agreement, lien or other encumbrance or right of any Third Party or Affiliate of a Party.

“Litigation” means the pending litigation between the Parties in the United States District Court for the Western District of Washington, Case No. 2:23-cv-00542-LK as further described in the Settlement Agreement.

“Organizational Documents” means, as to any Person other than a natural person, the charter, certificate or articles of incorporation, certificate of formation, bylaws, and other organizational documents of such Person, including, with respect to a limited liability company, any limited liability company agreement or similar document.

“Palumbo Patent” means U.S. Patent No. 7,731,779.

“**Party**” and “**Parties**” have the meanings specified in the introductory paragraph; *provided*, however, that (a) references to “either Party” mean Seller or Purchaser, as applicable, (b) in relation to Seller, references to “the other Party” mean Purchaser, and (c) in relation to Purchaser, references to “the other Party” mean Seller.

“**PDA**” means the Amended and Restated Project Development and Gas Sales Agreement, dated February 29, 2008, between the Purchaser and Seller.

“**Periodic Taxes**” means property and similar ad valorem Taxes imposed on a periodic basis with respect to the Purchased Assets and the Plant; *provided, however*, that Periodic Taxes shall not include any Taxes based on income or receipts, or imposed in connection with the sale or other transfer of property, including for the avoidance of doubt, Seller Transfer Taxes and Purchaser Transfer Taxes.

“**Permits**” means all licenses, certificates, authorizations, consents, permits, approvals and other similar authorizations of, from, or by a Governmental Authority (excluding King County) necessary for the ownership and operation of the Plant.

“**Person**” means any individual, sole proprietorship, corporation, limited liability company, partnership, limited partnership, joint stock company, trust, other legal entity, joint venture, association, unincorporated organization, or Governmental Authority.

“**Plant**” means the landfill gas processing facility currently owned by Seller located on the Plant Site, including (i) engineering and design documents, all gas processing or energy producing equipment (including electric generating equipment) and auxiliary equipment, fuel storage and handling facilities and equipment, a switchyard, interconnection facilities and electric transmission line; (ii) all pipelines, compressors, and the flare located on the Plant Site; (iii) any of the foregoing items or equipment owned by Seller (or an Affiliate of Seller) located on the Plant Site or within the Easement which may be required from time to time to deliver or convey Landfill Gas or other fuel to the Plant or processed gas or electricity to, or from, the Plant, excluding the Plant Transmission Line and Plant Electric Transmission Line (which are owned by Puget Sound Energy); and (iv) all other improvements currently owned by Seller (or an Affiliate of the Seller) related solely to the landfill gas processing facility and located on the Plant Site or within the Easement Areas, as more particularly described in the Lease.

“**Plant Electric Transmission Line**” means the electric feeder line and related interconnection facilities owned by Puget Sound Energy, Inc. used to move electricity into, and out, of the Plant Site.

“**Plant Site**” has the meaning specified in Section 2.1 of the Lease.

“**Plant Transmission Line**” or “**Transfer Line**” means the gas transmission line and related interconnection facilities built on the Easement Area as described in the Lease, which line is capable of delivering Product Gas to the Product Gas Delivery Point.

“**Pre-Closing Tax Period**” means any taxable period ending on, or before, the Closing Date.

“**Product Gas**” means the gas produced by the Plant that is pipeline quality and suitable for injection into the interstate natural gas pipeline owned by Williams Company or, its successor.

“**Product Gas Delivery Point**” means the location at which the Product Gas is delivered from the Plant into the interstate natural gas pipeline owned by Williams Companies, or its successor, or into any other third party’s applicable transmission or distribution system or gas pipeline.

“Purchase Price” has the meaning specified in Section 3.1.

“Purchased Assets” has the meaning set forth in Section 2.1.

“Purchaser” has the meaning specified in the introductory paragraph.

“Purchaser Indemnified Parties” has the meaning specified in Section 6.2.

“Purchaser Transfer Taxes” has the meaning specified in Section 7.1.

“Representatives” means, in relation to either Party, each Affiliate of such Party, and its and their respective owners, managers, directors, officers, employees, and agents.

“Schedules” means the schedules attached to this Agreement.

“Seller” has the meaning specified in the introductory paragraph.

“Seller Indemnified Parties” has the meaning specified in Section 6.3.

“Seller Transfer Taxes” has the meaning specified in Section 7.1.

“Settlement Agreement” has the meaning specified in the Recitals.

“Settlement Amount” means the \$5,000,000 payment to be made by Purchaser to Seller to settle the Litigation.

“Straddle Period” means any taxable period beginning on or before and ending after the Closing Date.

“Surviving Covenants” has the meaning specified in Section 6.1.

“Tangible Personal Property” has the meaning specified in Section 2.1(b).

“Tax” or **“Taxes”** means all U.S. federal, state, local, municipal or non-U.S. income, profits, Tax Return capital, gross receipts, windfall profits, occupational, severance, property, production, sales, use, license, excise, franchise, employment, unemployment insurance, social security, disability, workers’ compensation, withholding, transfer, payroll, goods and services, real and personal property, ad valorem, occupancy, stamp, transfer, capital stock, registration, value-added or minimum tax, or any other tax, custom, duty, governmental fee, or other like assessment or charge of any kind whatsoever, whether or not disputed, together with any interest or any penalty, addition to tax or additional amount imposed by any Governmental Authority.

“Tax Return” means any return, declaration, form, report, claim informational return (including all Forms 1099) or statement required to be filed with any Governmental Authority with respect to Taxes, including any schedule or attachment thereto or amendment thereof.

“Tax Status Letter” means the letter which may be requested by a taxpayer or a third party from the Washington State Department of Revenue regarding the tax status of a Person, including whether such Person has outstanding tax obligations.

“Taxing Authority” means, with respect to any Tax or Tax Return, the Governmental Authority that imposes such Tax or requires a Person to file such Tax Return and the agency (if any) charged with the collection of such Tax or the administration of such Tax Return, in each case, for such Governmental Authority.

“Third Party” means any Person that is neither a Party, nor an Affiliate of a Party.

“Third Party Claim” has the meaning specified in Section 6.4.

“Transaction Documents” means this Agreement, the Settlement Agreement, the Bill of Sale, the Assignment Agreement, the Transition Services Agreement, the License Agreement, and the other agreements, instruments, and documents required to be delivered in connection with this Agreement or at the Closing.

“Transferred Contracts” has the meaning specified in Section 2.1(c).

“Transferred Intellectual Property” has the meaning specified in Section 2.1(e).

“Transferred Knowhow” has the meaning specified in Schedule 2.1(e).

“Transferred Permits” has the meaning specified in Section 2.1(d).

“Transition Services Agreement” means the transition services agreement, in the form attached to this Agreement as Exhibit D.

1.2 Interpretation. The Parties have jointly participated in the negotiation and drafting of this Agreement. In the event of an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumptions or burdens of proof shall arise favoring either Party by virtue of the authorship of any of the provisions of this Agreement. The rules of usage for this Agreement are as follows: (a) “include,” “includes” and “including” shall be deemed to be followed by “without limitation” whether or not they are in fact followed by such words or words of like import; (b) “shall” and “will” mean “must” and shall and will have equal force and effect and express an obligation; (c) “writing,” “written” and comparable terms refer to printing, writing, typing, and other means of reproducing in a visible form, including electronic written form; (d) “hereof,” “herein,” “hereunder,” “herewith,” and comparable terms refer, unless otherwise expressly indicated, to this Agreement and not to any particular article, Section or other subdivision or attachment of this Agreement; (e) section and subsection headings contained in this Agreement are inserted for convenience of reference only, shall not be deemed to be a part of this Agreement for any purpose, and shall not in any way define or affect the meaning, construction or scope of any of the provisions of this Agreement; (f) each defined term used in this Agreement shall have a comparable meaning when used in its plural or singular form; and (g) unless the context otherwise requires, references herein (i) to Articles, Sections, Exhibits and Schedules mean the Articles and Sections of and the Exhibits and Schedules attached to this Agreement, (ii) to an agreement, instrument or document means such agreement, instrument or document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof, and (iii) to an Applicable Law means such Applicable Law as amended from time to time and includes any successor legislation thereto and regulations promulgated thereunder.

ARTICLE 2 PURCHASE AND SALE

2.1 Purchased Assets. Subject to the terms and conditions of this Agreement, Seller will sell, transfer, assign, convey, and deliver to Purchaser, and Purchaser will purchase and acquire from Seller, free and clear of all Liens, the assets, properties, rights, titles, and interests of every kind or nature owned, leased, licensed or otherwise held by Seller, to the extent related to the ownership or operation of the Plant, including all of the following assets, but excluding the Excluded Assets (the “**Purchased Assets**”):

(a) all inventories of fuels, supplies, materials and spares located on the Plant Site as of the Business Day immediately before the end of the Due Diligence Period, less any of the foregoing used for maintenance of the Plant from such date to the Closing Date, as reasonably documented by Seller (the “**Inventory**”);

(b) the machinery, equipment, vehicles, furniture and other personal property located on the Plant Site as of the Business Day immediately before the end of the Due Diligence Period, including the items of personal property listed on Schedule 2.1(b), and all warranty rights relating thereto (the “**Equipment**” and together with the Inventory, the “**Tangible Personal Property**”);

(c) the Contracts listed on Schedule 2.1(c) (the “**Transferred Contracts**”);

(d) the Permits, to the extent assignable by Seller to Purchaser, listed on Schedule 2.1(d) (the “**Transferred Permits**”);

(e) the intellectual property described in Schedule 2.1(e) (the “**Transferred Intellectual Property**”); and

(f) the books and records of Seller relating to the ownership, operation and maintenance of the Plant, other than such books and records that are Excluded Assets.

2.2 Excluded Assets. Notwithstanding any other provision of this Agreement, the following assets, properties, rights, titles and interests of Seller are expressly excluded from the purchase and sale contemplated hereby (the “**Excluded Assets**”) and, as such, are not included in the Purchased Assets:

(a) any cash, cash equivalents, certificates of deposit, bank deposits, commercial paper, securities, rights to payment, accounts receivable, rights to refunds, credits, offsets, in-kind or exchange arrangements, income, sales, payroll or other tax receivables, and any similar rights arising from or relating to the ownership or operation of the Plant with respect to any period of time prior to the Closing;

(b) all claims, causes of action, rights of recovery, rights of set-off, rights to refunds and similar rights of any kind in favor of Seller arising from or relating to the Litigation and the ownership or operation of the Plant with respect to any period of time prior to the Closing, including any refund of Taxes paid prior to the Closing (including refunds of Taxes received after the Closing), except for any of the foregoing that relate to Assumed Liabilities;

(c) any refund, credit penalty payment, adjustment or reconciliation related to real property taxes, personal property taxes or other Taxes paid prior to the Closing Date in respect of the Purchased Assets or relating to the ownership or operation of the Plant, whether such refund, adjustment or reconciliation is received as a payment or as a credit against future Taxes payable;

(d) the rights under any insurance policy arising out of and relating to events or periods prior to the Closing or which is not related to the ownership or operation of the Plant, except to the extent such policy insures for events or occurrences that are included in the Assumed Liabilities;

(e) the following records of Seller: (i) federal tax returns; (ii) business plans; (iii) financial statements; (iv) communications with, and among, auditors and lawyers regarding Seller's financial statements and other issues; (v) accounting policies; (vi) Seller minutes, resolutions, and communications with, and among, members and employees of Seller and its Affiliates; (vii) personnel files and records of Seller's current and former employees, including any information related to the termination, suspension, or disciplinary actions taken with respect to such employees; and (viii) records relating to changes in Seller ownership and/or that of its Affiliates;

(f) the rights of Seller under (i) this Agreement, (ii) the Confidentiality and Non-Disclosure Agreement, dated April 24, 2025, between the Parties, (iii) the Transition Services Agreement, (iv) the Settlement Agreement, and (v) the Co-Generator Agreement.

(g) any rights of Seller pursuant to the Guild Settlement Agreement; and

(h) any intangible know-how of Seller, its officers, employees, and consultants related to the ownership and operation of the Plant that is not (i) disclosed by Seller to Purchaser, (ii) discerned or learned by Purchaser from Seller, its officers, employees, and consultants during the course of Seller's negotiation and performance of this Agreement or the Transition Services Agreement, or (iii) communicated to Purchaser by current or former employees of Seller (the "**Excluded Knowhow**").

2.3 Assumed Liabilities. At the Closing, Purchaser shall assume and shall agree to pay, defend, discharge, and perform as and when due the following specific Liabilities of Seller, except to the extent that any of the following constitute Excluded Liabilities (collectively, but excluding the Excluded Liabilities, the "**Assumed Liabilities**"):

(a) all Liabilities of Seller under the Transferred Contracts and the Transferred Permits, in each case in accordance with the terms thereof, except to the extent that such Liabilities, but for a breach or default by Seller, would have been paid, performed or otherwise discharged on or prior to the Closing Date or to the extent the same arise out of any such breach or default or out of any event which after the giving of notice would constitute a default by Seller.

2.4 Excluded Liabilities. Notwithstanding any other provision of this Agreement, Purchaser is not assuming and shall have no responsibility for, under this Agreement or any other Transaction Document, any Liability that is not specifically identified as an Assumed Liability under Section 2.3, and Seller shall retain, and shall be responsible for paying, performing, and discharging when due, any Liabilities of Seller as of the Closing other than the Assumed Liabilities (the "**Excluded Liabilities**"), including:

(a) any Liabilities of Seller in respect of any Excluded Assets or other assets of Seller that are not Purchased Assets;

(b) any Liabilities of Seller resulting from the Guild Settlement Agreement;

(c) all Excluded Taxes;

(d) any Liabilities of Seller (i) arising from the violation, breach or default by Seller, on or prior to the Closing Date, of any Transferred Contract or Transferred Permit or (ii) in respect of any other Contract, Permit or other arrangement or instrument entered into by Seller;

(e) any fines and penalties imposed on the Plant or Seller by any Governmental Authority resulting from any act or omission by Seller or its Affiliates that occurred on or prior to the Closing Date;

(f) any Liability of Seller arising as a result of its execution and delivery of this Agreement or any other Transaction Document, the performance of its obligations hereunder or thereunder, or the consummation by Seller of the transactions contemplated hereby or thereby.

Seller hereby acknowledges and agrees that, except for the Assumed Liabilities, Purchaser is not assuming, and will not be liable for, any Liabilities of Seller, whether relating to Seller's ownership or operation of the Plant or otherwise, and Seller shall remain exclusively liable for all Excluded Liabilities.

ARTICLE 3 PURCHASE PRICE AND CLOSING

3.1 Purchase Price. At the Closing, Purchaser shall pay or cause to be paid to Seller, by wire transfer in immediately available funds (pursuant to wire transfer instructions provided in advance by Seller to Purchaser in writing), an aggregate purchase price for the Purchased Assets of \$70,000,000 (the "**Purchase Price**").

3.2 Closing. The closing of the purchase and sale contemplated by this Agreement (the "**Closing**") shall take place on or before the Closing Deadline. The closing may take place remotely by the exchange of documents and signatures (or their electronic counterparts) or may take place in person at such location as is mutually agreeable to the Parties, or in such other manner as Seller and Purchaser may mutually agree upon in writing. The date on which the Closing actually occurs is referred to herein as the "**Closing Date**."

3.3 Closing Deliverables.

(a) At the Closing, Seller shall deliver to Purchaser the following:

- (i) the Bill of Sale, duly executed by Seller;
- (ii) the Assignment Agreement, duly executed by Seller;
- (iii) the Transition Services Agreement, duly executed by Seller;
- (iv) the License Agreement, duly executed by Ingenco Holdings, LLC;
- (v) evidence that the Seller and its Affiliates have withdrawn all open or pending requests to King County under the Washington Public Records Act, Title 42, Revised Code of Washington;
- (vi) evidence that the Seller has transferred all Transferred Contracts and Transferred Permits to the Purchaser, effective as of the Closing;

(vii) a certificate of the Secretary (or equivalent officer) of Seller certifying as to the resolutions of the managers and the member of Seller, which authorize the execution, delivery, and performance of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated by the Transaction Documents;

(viii) an affidavit of non-foreign status of Seller that complies with Section 1445 of the Internal Revenue Code of 1986, as amended; and

(ix) copies of all consents, approvals, waivers and authorizations referred to in Schedule 3.3(a)(ix);

(b) At the Closing, Purchaser shall deliver to Seller the following:

(i) the Purchase Price by wire transfer, in immediately available funds;

(ii) the Settlement Amount, by wire transfer, in immediately available funds;

(iii) the Assignment Agreement, duly executed by Purchaser;

(iv) the Transition Services Agreement, duly executed by Purchaser;

(v) the License Agreement, duly executed by Purchaser; and

(vi) the original of the \$500,000 letter of credit furnished by Seller as security for Seller's compliance with the terms of the PDA, or evidence satisfactory to Seller, acting reasonably, that such letter of credit is null and void.

3.4 Conditions Precedent to Closing – Purchaser. The obligation of Purchaser to consummate the Closing is subject to the satisfaction (or waiver by Purchaser, in its sole discretion) of the following conditions:

(a) The Amended and Restated Plant Site Lease dated as of February 29, 2008, between Seller and Purchaser (the “**Lease**”) shall have been terminated, effective as of Closing;

(b) The PDA shall have been terminated, effective as of Closing;

(c) Seller shall have duly performed and complied in all material respects with all agreements and covenants required by this Agreement and each of the other Transaction Documents to be performed or complied with by it prior to, or on, the Closing Date;

(d) Purchaser shall have entered into an agreement, in a form acceptable to Purchaser in its sole discretion, with Puget Sound Energy that will give Purchaser access to the Transfer Line/Northwest Pipeline for delivery of pipeline quality gas;

(e) The King County Council shall have adopted the Appropriations Ordinance; and

(f) No action, suit, claim or proceeding shall have been commenced against Purchaser or Seller that would prevent the Closing, and no injunction or order of any Governmental Authority shall be in effect that restrains or prohibits the transactions contemplated by this Agreement;

3.5 Conditions Precedent to Closing – Seller. The obligation of Seller to consummate the Closing is subject to the satisfaction (or waiver by Seller, in its sole discretion), of the following conditions:

- (a) The Lease shall have been terminated, effective as of Closing;
- (b) The PDA shall have been terminated, effective as of Closing;
- (c) Purchaser shall have duly performed and complied in all material respects with all agreements and covenants required by this Agreement and each of the other Transaction Documents to be performed or complied with by it prior to or on the Closing Date; and
- (d) No action, suit, claim or proceeding shall have been commenced against Purchaser or Seller that would prevent the Closing, and no injunction or order of any Governmental Authority shall be in effect that restrains or prohibits the transactions contemplated by this Agreement.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Purchaser as of the Effective Date as follows:

4.1 Organization, Qualification. Seller is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Delaware and is duly licensed, or qualified to do business, and in good standing, in the State of Washington.

4.2 Authorization; Validity. Seller has all requisite legal capacity and full power and authority to execute and deliver this Agreement and the other Transaction Documents to which Seller is a party and to perform its obligations and to consummate the transactions contemplated by this Agreement and the other Transaction Documents to which Seller is a party. The execution, delivery, and performance by Seller of this Agreement and the other Transaction Documents to which Seller is a party and the consummation by Seller of the transactions contemplated by this Agreement and the other Transaction Documents to which Seller is a party have been duly authorized by all requisite action on the part of Seller. This Agreement and the other Transaction Documents to which Seller is a party have been duly executed and delivered by Seller and, assuming the due authorization, execution, and delivery by Purchaser of this Agreement and the other Transaction Documents to which Seller and Purchaser are parties, constitutes the legal, valid, and binding obligation of Seller, enforceable against Seller in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws now or in the future in effect relating to creditors rights generally, and general equitable principles (whether considered in a proceeding in equity or at law).

4.3 No Conflicts. The execution, delivery, and performance by Seller of this Agreement and the other Transaction Documents to which the Seller is a party, and the consummation of the transactions contemplated thereby, do not and will not: (a) violate or conflict with any provision of the Organizational Documents of Seller; (b) violate or conflict with any provision of any Applicable Law applicable to Seller or the Purchased Assets; (c) result in the creation or imposition of any Lien on the Purchased Assets.

4.4 Consents and Approvals. No registration or filing with, notice to, consent or approval of or other action by, any Governmental Authority or any other Person is, or will be necessary for the execution, delivery, and performance by Seller of this Agreement or the consummation of the transactions contemplated by this Agreement and the other Transaction Documents.

4.5 Purchased Assets. Seller is the sole owner of, and has good and valid title to, the Purchased Assets, free and clear of all Liens.

4.6 Intellectual Property. To the Seller's knowledge, the Palumbo Patent confers sufficient intellectual property rights to run the Plant, without the risk of bona fide third-party patent infringement claims.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Seller as of the Effective Date as follows:

5.1 Organization, Qualification. The Purchaser is a municipal corporation validly existing under the laws of the State of Washington.

5.2 Authorization; Validity. Purchaser has all requisite legal capacity and full power and authority to execute and deliver this Agreement and the other Transaction Documents to which Purchaser is a party and to perform its obligations and to consummate the transactions contemplated by this Agreement and the other Transaction Documents to which Purchaser is a party. The execution, delivery, and performance by Purchaser of this Agreement and the other Transaction Documents to which Purchaser is a party and the consummation by Purchaser of the transactions contemplated by this Agreement and the other Transaction Documents to which Purchaser is a party have been duly authorized by all requisite action on the part of Purchaser. This Agreement and the other Transaction Documents to which Purchaser is a party have been duly executed and delivered by Purchaser and, assuming the due authorization, execution and delivery by Seller of this Agreement and the other Transaction Documents to which Seller is a party, constitutes the legal, valid, and binding obligation of Purchaser, enforceable against Purchaser in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws now or in the future in effect relating to creditors rights generally, and general equitable principles (whether considered in a proceeding in equity or at law).

5.3 No Conflicts. The execution, delivery, and performance by Purchaser of this Agreement and the other Transaction Documents to which the Purchaser is a party, and the consummation of the transactions contemplated thereby, do not and will not (a) violate or conflict with any provision of the Organizational Documents of Purchaser; (b) violate or conflict with any provision of any Applicable Law applicable to Purchaser; or (c) conflict with, result in a breach of, constitute a default under (with or without notice or lapse of time, or both), result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice under any Contract, Lien or other arrangement to which Purchaser is a party.

5.4 Consents and Approvals. Except for any such consents, approvals, or other actions that have been obtained by Purchaser on or before the Closing Date, no registration or filing with, or consent or approval of or other action by, any Governmental Authority or any other Person is necessary for the valid execution, delivery and performance of this Agreement by Purchaser.

ARTICLE 6 SURVIVAL; INDEMNIFICATION

6.1 Survival. The representations and warranties given or made by a Party in this Agreement or in any certificate delivered pursuant to this Agreement shall survive the Closing and continue in full force and effect for six months from the Closing Date. No Party shall have any obligation or liability with respect to any such representation or warranty after the end of the applicable survival period except for

claims of which the Party has been notified pursuant to this Article 6 prior to the end of the applicable survival period. Each and every covenant contained in this Agreement (other than the covenants which by their terms are to be performed by a Party following Closing (collectively, the “**Surviving Covenants**”)) shall terminate effective at the Closing; and neither of Seller or Purchaser shall have any Liability whatsoever with respect to any such covenant thereafter. The Surviving Covenants will survive the Closing Date until fully performed or observed in accordance with their respective terms.

6.2 Indemnification by Seller. Subject to the other provisions of this Article 6, and consistent with the terms of the Settlement Agreement, from and after the Closing, Seller shall indemnify, defend and hold harmless Purchaser and its Affiliates and Representatives (the “**Purchaser Indemnified Parties**”) from and against all Claims, orders, assessments, losses, damages, penalties, fines, liabilities, amounts paid in settlement, costs, fees, and expenses (including reasonable attorneys’ fees) (collectively, “**Damages**”) incurred by one or more Purchaser Indemnified Parties, to the extent caused by (a) the breach or inaccuracy of any representation or warranty made or given by Seller in this Agreement, or in any certificate delivered by Seller in connection with this Agreement, and (b) the breach by Seller of any covenant or agreement made by Seller in this Agreement. To avoid any ambiguity or doubt, except for the representations and warranties contained in Article 4, Seller is offering no warranties, express or implied, regarding the condition of the Purchased Assets or the Plant, the suitability of the Plant for its intended purpose, its merchantability, or other customary warranties offered by the sellers of new equipment.

6.3 Indemnification by Purchaser. Subject to the other provisions of this Article 6, from and after the Closing, Purchaser shall indemnify, defend and hold harmless Seller and its Affiliates and Representatives (the “**Seller Indemnified Parties**”) from and against all Damages asserted against, imposed upon or incurred by one or more Seller Indemnified Parties, to the extent caused by, relating to, arising out of or resulting from: (a) the breach or inaccuracy of any representation or warranty made or given by Purchaser in this Agreement or in any certificate delivered by Purchaser in connection with this Agreement, or (b) the breach by Purchaser of any covenant or agreement made by Purchaser in this Agreement.

6.4 Notice of Claims. An Indemnified Party shall promptly give notice to the indemnifying Party (an “**Indemnitor**”) of any claim for indemnification pursuant to Section 6.2 or Section 6.3 (each, a “**Claim Notice**”). Such Claim Notice shall specify whether the Claim arises as a result of a claim by a Third Party against the Indemnified Party (a “**Third Party Claim**”), and shall also specify with reasonable particularity (to the extent that the information is available) (a) the factual basis for the Claim, and (b) the amount of the Claim, or, if an amount is not then determinable, an approximate and reasonable estimate of the likely amount of the Claim. The failure to promptly provide such Claim Notice will not relieve the Indemnitor of any obligation to indemnify the Indemnified Party, except to the extent that such failure actually and materially prejudices the Indemnitor.

6.5 Direct Claims. With respect to any Claim by an Indemnified Party that is not a Third Party Claim (a “**Direct Claim**”), the Indemnitor shall have thirty (30) days after its receipt of the Claim Notice to respond in writing to the Indemnified Party. During such thirty (30) day period, the Indemnified Party shall allow the Indemnitor and its professional advisors to reasonably investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim, and the Indemnified Party shall reasonably assist the Indemnitor’s investigation (at the Indemnitor’s sole cost and expense) by giving such information and assistance as the Indemnitor’s or any of its professional advisors may reasonably request. If the Indemnitor does not so respond within such thirty (30) day period, then the Indemnitor shall be deemed to have rejected such Direct Claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available thereto on the terms and subject to the provisions of this Agreement. Within fifteen (15) Business Days of the final determination of the

merits and amount of such Direct Claim, the Indemnitor's shall pay the amount of such Direct Claim as determined hereunder.

6.6 Third Party Claims Procedures. With respect to any Third Party Claim:

(a) The Indemnitor shall have the right, at its own expense, to participate in the negotiation, settlement or defense of such Third Party Claim and, if the Indemnitor irrevocably confirms in writing its obligation to indemnify the Indemnified Party for all Damages arising out of such Third Party Claim, to assume control of the negotiation, settlement or defense of such Third Party Claim; *provided, however,* that the Indemnitor shall not settle or compromise any Third Party Claim except with the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld, conditioned or delayed) unless such settlement or compromise (i) involves only the payment of money, the full amount of which is paid by the Indemnitor, (ii) includes a full and binding unconditional release of the Indemnified Party, and (iii) does not include an admission of guilt or liability on the part of the Indemnified Party or impose upon the Indemnified Party, or any of its Affiliates, any other liability, obligation or restriction.

(b) If the Indemnitor elects to assume such control, the Indemnitor shall keep the Indemnified Party advised with respect to the Third Party Claim (including supplying copies of all relevant documentation promptly as it becomes available), and the Indemnified Party (i) shall cooperate with the Indemnitor, provided that all reasonable costs and expenses of such cooperation shall be borne by the Indemnitor, (ii) shall have the right to disagree on reasonable grounds with the selection and retention of counsel by Indemnitor, in which case counsel satisfactory to the Indemnitor and the Indemnified Party shall be retained by the Indemnitor, and (iii) shall have the right to employ separate counsel and/or participate in the defense of the Third Party Claim, but the fees and expenses of such counsel will not be included as part of any Damages incurred by the Indemnified Party unless (A) such Indemnified Party has received an opinion of counsel, reasonably acceptable to the Indemnitor, to the effect that the interests of the Indemnified Party and the Indemnitor with respect to the Third Party Claim are sufficiently adverse to prohibit the representation by the same counsel of both parties under applicable ethical rules, or (B) the employment of such counsel at the expense of the Indemnitor has been specifically authorized by the Indemnitor. If the Indemnitor has assumed the defense of a Claim, then, while such Indemnitor is defending such Claim, the Indemnified Party will not (and will cause its controlled Affiliates not to) admit any Liability with respect to, settle, compromise or discharge any such Claim without the prior written consent of the Indemnitor (which consent will not be unreasonably withheld, delayed or conditioned).

(c) If the Indemnitor fails to assume control of a Third Party Claim in accordance with this Section 6.6 in a timely manner or fails to diligently defend any such Third Party Claim in a timely manner, the Indemnified Party shall be entitled to assume such control and to settle or compromise such Third Party Claim, and the Indemnitor, at its sole expense, shall cooperate with the Indemnitor in relation to such Third Party Claim. If the Indemnified Party assumes control of the defense of a Third Party Claim, then it shall not consent to the entry of a judgment or enter into any settlement or compromise with respect to such claim without the prior written consent of the Indemnitor (which consent will not be unreasonably withheld, delayed or conditioned).

6.7 Characterization of Indemnity Payments. Any payments made pursuant to this Article 6 shall constitute an adjustment of the Purchase Price for Tax purposes (and shall not be separately includable as income of the recipient for Tax purposes) and shall be treated as such by Purchaser and Seller on their Tax Returns to the extent permitted by Applicable Law.

6.8 Covenant not to Sue. The Parties acknowledge that the Seller is transferring to the Purchaser all the Transferred Knowhow but is not transferring the Excluded Knowhow. The Seller covenants that at no time will it, its successors or its assigns, directly or indirectly, commence, maintain, or

prosecute any Claim against Purchaser or any of its past or present directors, officers, employees, successors, assigns, customers, manufacturers, distributors, licensees, or other transferees related to the Transferred Knowhow. The Purchaser covenants that at no time will it, its successors or its assigns, directly or indirectly, commence, maintain, or prosecute any Claim against Seller or any of its past or present directors, officers, employees, successors, assigns, customers, manufacturers, distributors, licensees, or other transferees related to the Excluded Knowhow or the Purchaser's reliance on the Transferred Knowhow.

6.9 Exclusive Remedy. From and after the Closing, the sole and exclusive remedy with respect to any and all Claims arising out of or related to this Agreement or the transactions contemplated by this Agreement shall be pursuant to the indemnification provisions set forth in this Article 6; *provided, however*, that nothing in this Section 6.9 shall limit a Party's right to seek and obtain any specific performance or equitable relief for breach of any covenant set forth in this Agreement or a Party's rights in the case of fraud or willful misconduct.

ARTICLE 7 TAX MATTERS

7.1 Transfer Taxes. Purchaser shall pay all sales and use Taxes (including any penalties, interest and additions to such Taxes) levied on the purchaser of assets under Applicable Law (collectively "**Purchaser Transfer Taxes**"). Other than the Purchaser Transfer Taxes, Seller shall pay all Taxes (including any penalties, interest and additions to Tax) incurred as a result of the transactions contemplated by this Agreement under Applicable Law, including documentary, stamp, value added, registration, real property transfer and other similar Taxes, and all conveyance fees, recording charges and other fees and charges (collectively, the "**Seller Transfer Taxes**"). Each Party shall be responsible for preparing and filing its respective Tax Returns or other applicable documents in connection therewith, to the extent permitted by Applicable Law. Each Party shall cooperate with the other in the preparation and filing of all Tax Returns or other applicable documents for or with respect to Purchaser Transfer Taxes or Seller Transfer Taxes, as applicable. The Parties shall cooperate in good faith to minimize the amount of any Purchaser Transfer Taxes or Seller Transfer Taxes, as applicable.

7.2 Periodic Taxes. Seller shall be responsible for and shall pay all Periodic Taxes related or attributable to (i) any Pre-Closing Tax Period and (ii) with respect to any Straddle Period, the product of the entire amount of the Periodic Taxes for such Straddle Period multiplied by a fraction, the numerator of which is the number of calendar days in such Straddle Period ending on (and including) the Closing Date and the denominator of which is the number of days in the entire Straddle Period. To the extent not filed on or prior to the Closing Date, all Tax Returns relating to Periodic Taxes for Straddle Periods shall be filed by Seller. Seller shall provide an accounting of any Straddle Period Periodic Taxes owed by the Seller to Purchaser, or by Purchaser to Seller, as the case may be, and Seller shall pay to Purchaser, or Purchaser shall pay to the Seller, as appropriate, (in immediately available funds) the total amount of Taxes due and payable in respect of Straddle Periods reflected in each such accounting within 45 days after the accounting is provided. Any Straddle Period returns prepared shall be completed in accordance with the past customs and practices of Seller, except as otherwise required by Applicable Law, and Seller shall provide a draft of any such return no later than ten (10) days prior to the due date of any such tax return filing.

7.3 Cooperation. The Parties shall reasonably cooperate, and shall cause their respective Affiliates, officers, employees, agents, auditors and Representatives to reasonably cooperate, in preparing and filing all Tax Returns, and in resolving all disputes and audits with respect to Taxes with any Governmental Authority. Such cooperation shall include the retention and (upon the other Party's request) the provision of records and information reasonably relevant to any such audit, litigation, or other proceeding and making employees available on a mutually convenient basis to provide additional

information and explanation of any material provided thereunder. The Parties agree (i) to retain all books and records with respect to Tax matters pertinent to Plant relating to any taxable period beginning on or before the Closing Date until expiration of the statute of limitations (and, to the extent notified by Purchaser or Seller, as the case may be, any extensions thereof) of the respective taxable periods, and to abide by all record retention agreements entered into with any Taxing Authority, and (ii) to give the other Party reasonable written notice prior to transferring, destroying or discarding any such books and records and, if the other Party so requests, Purchaser or Seller, as the case may be, shall allow the other Party to take possession of such books and records.

7.4 Tax Documentation. Prior to the Closing, at the request of Purchaser, Seller shall obtain and provide to Purchaser a Tax Status Letter or other specified letter from the Washington State Department of Revenue that is reasonably satisfactory to Purchaser.

7.5 Allocation of Purchase Price Among Asset Categories for Tax Purposes. The Parties shall allocate the Purchase Price (and all other capitalized costs) among the Purchased Assets in accordance with Schedule 7.5, which has been prepared in accordance with Section 1060 of the Internal Revenue Code of 1986, as amended (and any similar provisions of state or local law, as appropriate). Each of Seller and Purchaser shall timely file, execute, prepare, and deliver any such documents or forms and other information as are required to be filed by it in connection with such allocation.

ARTICLE 8 MISCELLANEOUS

8.1 Guild Confidential Information. Purchaser shall make good faith efforts to keep confidential the information contained in the operating manuals and other materials designated as “proprietary” or “confidential” by Guild. If Purchaser retains a third party to operate or maintain the Plant or its equipment, the use by such third party of the operating manuals and other materials designated as “proprietary” or “confidential” by Guild shall not be deemed a violation of this Section 8.1 as long as the third party operator agrees, in a separate confidentiality agreement with Purchaser, to use its good faith efforts to keep confidential the information contained in the operating manuals and other materials designated as “proprietary” or “confidential” by Guild. Purchaser will provide copies of any such agreements to Guild upon request. Purchaser covenants with Seller that it will enforce such agreements, or allow Guild to do so, in accordance with Section 8.5. These covenants shall survive the Closing, and shall remain in effect until such time, if ever, as Purchaser reaches an agreement with Guild regarding ongoing protection of such Guild Confidential Information.

8.2 Further Assurances. Following the Closing, each Party shall take, or cause to be taken, such further actions, and shall execute, deliver, and file, or cause to be executed, delivered, and filed such further documents and instruments, as the other Party may reasonably request in order to effectuate more fully the purposes, intent, terms, and conditions of this Agreement.

8.3 Entire Agreement. This Agreement (including the Exhibits and Schedules) and other Transaction Documents constitute the entire agreement of the Parties with respect to the matters contemplated in this Agreement and the other Transaction Documents and supersede all prior oral and written agreements with respect to the matters contemplated in this Agreement and the other Transaction Documents. Each of the Exhibits and Schedules is an integral part of this Agreement and is made a part of this Agreement by reference as if set forth in this Agreement in its entirety. In the event of any inconsistency between the statements in the body of this Agreement, the Exhibits and Schedules hereto, and the other Transaction Documents, the statements in the body of this Agreement shall control.

8.4 Amendment and Waiver. No provision of this Agreement may be waived, modified or amended except by written instrument executed by the Party against which such waiver, modification or amendment is sought to be enforced. Neither the waiver by any Party of a breach of or a default under any of the provisions of this Agreement, nor the failure of any Party, on one or more occasions, to enforce any of the provisions of this Agreement or to exercise any right or privilege under this Agreement shall be construed as a waiver of any subsequent breach or default of a similar nature, or as a waiver of any of such provisions, rights or privileges under this Agreement.

8.5 Third Party Beneficiaries. It is the explicit intention of the Parties that the covenants, undertakings, and agreements set forth in this Agreement shall be solely for the benefit of, and shall be enforceable only by, the Parties and, with respect to Article 6, any Indemnified Party, or their respective successors and permitted assigns; provided, that Section 8.1 shall be solely for the benefit of, and shall be enforceable by, Guild, and not Seller.

8.6 Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned by either Party without the prior written consent of the other Party, which consent may be withheld in the sole discretion of such Party.

8.7 Notices. All notices and other communications given or made pursuant hereto shall be in writing will be delivered personally, mailed by registered or certified mail (postage prepaid, return receipt requested) or sent by electronic transmission (with confirmation of receipt) as follows:

If to Seller:

Bio-Energy (Washington), LLC
1110 Woodlands Road
Charlottesville, Virginia
Attn: Charles J. Packard
Email: cpackard@INGENCOHOLDINGS.COM

with copy to, but not to meet notice requirements:

The Law Offices of Robert Rauch
25141 Star View Road
Mt. Vernon, Washington 98237
Attn: Robert Rauch
Email: Bob@rjrauch.com

If to Purchaser:

King County Department of Natural Resources & Parks
Solid Waste Division Director's Office
201 S. Jackson Street, Suite 6400
Seattle, WA 98104
Attention: Christopher Stubbs, Deputy Director
Email: chstubbs@kingcounty.gov

with copy to, but not to meet notice requirements:

King County Civil Division - Prosecuting Attorney's Office
201 S. Jackson Street, Suite 6400
Seattle, WA 98104
Attention: Rich Anderson
Email: richanderson@kingcounty.gov

and

K&L Gates LLP
925 Fourth Avenue, Suite 2900
Seattle, Washington 98104
Attention: Kari Vanderstoep
Email: Kari.vanderstoep@klgates.com

Each Party shall have the right to change the place to which notices shall be sent or delivered or to specify additional addresses to which copies of notices may be sent, in either case by similar notice sent or delivered in like manner to the other Party. Without limiting any other means by which a Party may be able to prove that a notice has been received by the other Party, all notices and communications shall be deemed to have been duly given: (a) at the time delivered by hand, if personally delivered; (b) on the fourth Business Day after the day of mailing; (c) when received, if sent by electronic mail, if received prior to 5:00 p.m., recipient's time, on a Business Day, or on the next Business Day, if received later than 5:00 p.m., recipient's time, or on a day that is not a Business Day; and (d) on the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

8.8 Governing Law; Jurisdiction;

(a) This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of Washington without giving effect to any choice or conflict of law provision or rule (whether of the State of Washington or any other jurisdiction). Any legal suit, action, proceeding, or dispute arising out of or related to this Agreement, the other Transaction Documents, or the transactions contemplated by this Agreement or the other Transaction Documents may be instituted in the federal court of the United States of America located in the city of Seattle, and each Party irrevocably submits to the exclusive jurisdiction of such court in any such suit, action, proceeding, or dispute.

8.9 Specific Performance. The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms of this Agreement and that the Parties shall be entitled to specific performance of the terms of this Agreement, in addition to any other remedy to which they are entitled at law or in equity.

8.10 Expenses. Each Party shall pay its own expenses incident to this Agreement and the transactions contemplated by this Agreement, including the fees and expenses of legal counsel and other consultants and advisers in connection with this Agreement and any agreement, document or instrument required to be delivered under this Agreement.

8.11 Severability. If any part of any provision of this Agreement or any other agreement, document or writing given pursuant to or in connection with this Agreement shall be invalid or unenforceable under Applicable Law, said part shall be ineffective to the extent of such invalidity or unenforceability only, without in any way affecting the remaining parts of said provision or the remaining provisions of this Agreement or such document.

8.12 Counterparts. This Agreement may be executed in separate counterparts, by manual or electronic signature, each of which shall be deemed to be an original and all of which taken together constitute one and the same instrument and may be delivered by electronic means, which shall constitute valid and effective delivery of this Agreement.

8.13 Delivery by Electronic Transmission. This Agreement and any agreement or instrument entered into in connection with this Agreement, and any amendments or waivers hereto or thereto, to the extent signed and delivered by e-mail delivery of a “.pdf” format data file, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. Neither Party hereto or to any such agreement or instrument shall raise the use of e-mail delivery of a “.pdf” format data file to deliver a signature to this Agreement or any amendment or consent hereto or thereto or the fact that any signature or agreement or instrument was transmitted or communicated through e-mail delivery of a “.pdf” format data file as a defense to the formation of a contract and each Party waives any such defense.

[Remainder of page left intentionally blank. Signature pages follow.]

IN WITNESS WHEREOF, each Party has caused this Agreement to be duly and validly signed on its behalf as of the date first set forth above.

SELLER:

BIO-ENERGY (WASHINGTON), LLC

By: _____
Name: Charles J. Packard
Title: Chief Executive Officer

PURCHASER:

KING COUNTY

By: _____
Name: John Taylor
Title: Director, King County Department of Natural Resources
and Parks

Exhibit A
Settlement Agreement

See attached.

SETTLEMENT AGREEMENT AND RELEASES

THIS SETTLEMENT AGREEMENT AND RELEASES (“Agreement”) is made and entered into by and between Plaintiff, Bio-Energy (Washington), LLC (“BEW” or “Plaintiff”) on the one hand; and Defendant King County, Washington (“King County” or “Defendant”) on the other hand, and is effective the date it is executed by both parties (“Effective Date”). The Plaintiff and Defendant may be referred to below individually as a “Party,” and collectively as “the Parties.”

I. RECITALS

1.1 The Parties are currently involved in disputed litigation in the United States District Court for the Western District of Washington (the “Court”), Case No. 2:23-cv-00542-LK (the “Litigation”).

1.2 The Litigation arose, in part, from the Amended and Restated Project Development and Gas Sales Agreement between the Parties dated February 29, 2008 (“PDA”).

1.3 BEW filed its complaint in the Litigation on April 7, 2023, its first amended complaint on August 23, 2023, its second amended complaint on May 13, 2024, and its third amended complaint on June 17, 2024.

1.4 King County filed its answer and affirmative defenses on May 3, 2023. King County then filed its amended answer, affirmative defenses, and counterclaims on May 22, 2023; its second amended answer, affirmative defenses, and amended counterclaims on August 24, 2023; its third amended answer, affirmative defenses, and second amended counterclaims on September 6, 2023; its third amended answer, affirmative defenses, and third amended counterclaims on May 9, 2024; and its fourth amended answer and fourth amended counterclaims on July 8, 2024.

1.5 On March 4, 2025, the Parties agreed to material settlement terms with the assistance of U.S. Magistrate Judge S. Kate Vaughan, which material settlement terms were put on the record by Judge Vaughan and are the basis for the Settlement Agreement set out below.

1.6 The Parties have entered into this Agreement to fully resolve all actual or potential disputes between them related to the PDA and all actual or potential disputes between them related to the Washington Public Records Act (“PRA”), whether the dispute could have been included in the Litigation or otherwise, to avoid the expense, inconvenience, and uncertainty of further action with respect to the Litigation, to achieve a full and complete settlement of the Litigation, and to release each other from all claims and potential claims as described in Paragraphs 4.1 and 4.2 of this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by both Parties, the Parties mutually promise and agree as follows:

II. DEFINITIONS

In the definitions that follow (and any throughout this Agreement), correlative variations (*e.g.*, tense or plural variants) apply with equal force and mean the same in context as the enumerated terms that follow. Capitalized terms not otherwise defined in this Agreement shall have the meanings set out in PDA Schedule 1.1.

2.1 “Affiliate,” with respect to an Entity, means any Entity that now, or in the past, or in the future directly or indirectly Controls, is Controlled by, or is under common Control with, or by such Entity.

2.2 “Control” of an Entity means the possession, directly or indirectly, through the ownership of voting securities, voting interests, by contract, or otherwise, of the right to direct or cause the direction of management or policies of that Entity. “Control” also includes the following: (a) direct or indirect ownership of 50% or more of the voting interests, securities, or equity of an Entity, (b) the direct or indirect ability to elect 50% or more of the board of directors or other governing body for the Entity, or (c) in relation to a partnership, limited liability company, or other unincorporated association, the direct or indirect right to a share of 50% or more of its net assets or net income.

2.3 “Effective Date” has the meaning ascribed to it in the preamble.

2.4 “Entity” includes an individual, as well as any organization, or organizational unit (including, for example, a natural person, a corporation, association, partnership, business trust, business unit, joint venture, limited liability company, proprietorship, or unincorporated association).

2.5 “King County” means King County, a Washington municipal corporation, each of its predecessors, successors, and permitted assigns.

2.6 “Litigation” means the Litigation, as defined in the Recitals above.

2.7 “Party” and “Parties” have the meaning ascribed to them in the preamble.

2.8 “PDA” means the Amended and Restated Project Development and Gas Sales Agreement, as defined in the Recitals above.

2.9 “BEW” means Bio-Energy (Washington), LLC, a Delaware limited liability company, and its Affiliates, predecessors, successors, and assigns, and each Entity that previously Controlled any such aforementioned Entity.

2.10 “Plant” has the same definition as described in the PDA, Schedule 1.1, including any new or replacement equipment installed by BEW since the execution of the PDA on the Plant Site, but excluding the Plant Transmission Line which was previously conveyed to Puget Sound Energy.

2.11 “Site ID” refers to both state and federal regulatory identification numbers as provided in 40 C.F.R. §262.18 and WAC 173-303-060(1), which perform similar functions. The Washington Hazardous Waste Management Act (“HWMA”) implements the requirements of the Resource Conservation and Recovery Act (“RCRA”). The federal regulations refer to generator ID numbers as an “EPA Identification number.” 40 C.F.R. §262.18. Washington’s regulations refer to the same number as an “EPA/state identification number.” WAC 173-303-060(1).

2.12 “Transfer Line” means the approximately ¼-mile long high-pressure gas pipeline from the Plant to the interconnection point on the Northwest Pipeline that was conveyed by BEW to Puget Sound Energy in 2009. It is also referred to as the “Plant Transmission Line” in the PDA.

III. PLANT SALE AND PURCHASE AGREEMENT, PLANT OPERATIONS, AND DISMISSAL OF THE LITIGATION

3.1 BEW’s Offer to Sell the Plant to King County.

3.1.1 BEW offers to sell the Plant to King County for \$70 million (“Purchase Price”), on an “as is, where is,” basis, which Purchase Price includes all associated assets and technologies. The Purchase Price also includes a non-exclusive, plant specific, perpetual, irrevocable, transferable license on a permanent, royalty free basis for use of the “Palumbo patent” (U.S. Patent No. 7,731,779) at the Plant, free of any third-party liens and financial encumbrances. The License to use of the Palumbo patent shall extend to any modifications, upgrades, or redevelopment efforts by King County during its ownership or operation of the Plant, including without limitation any future assignment by King County of such use rights to a third-party operator or owner of the Plant.

3.1.2 Purchase terms shall be all cash; closing by no later than August 29, 2025 (“Closing Date”). BEW’s representations and warranties will be limited to (i) good title to the Plant, (ii) receipt of necessary authority from Ingenco Holdings to sell the Plant, (iii) a representation that, to BEW’s knowledge, the Palumbo Patent confers sufficient intellectual property rights to run the Plant, and (iv) the absence of any third-party approvals required for the sale.

3.1.3 No indemnities will be offered by BEW, other than those related to a violation of the foregoing representations and warranties. There will be no hold back of a portion of the Purchase Price to support any indemnity obligations of BEW. If desired, King County may purchase representations and warranties insurance, at its cost.

3.2 BEW Shall Use Reasonable Commercial Efforts to Assist King County in Executing an Agreement with Puget Sound Energy.

3.2.1 BEW shall use reasonable commercial efforts to assist King County in executing an agreement with Puget Sound Energy (“PSE”) that will give King County access to the Transfer Line/Northwest Pipeline (“PSE Pipeline Agreement”) for delivery of pipeline quality gas upon King County becoming the Plant owner. Within five (5) days of the execution of this Agreement, BEW shall provide King County with copies of all agreements between BEW and PSE, Northwest Pipeline GP (“NWP”), and/or any of NWP’s successors and assigns (including but not limited to the Gas Quality Monitoring and Testing Agreement dated October 9, 2008 among BEW, PSE, and NWP). Any costs of obtaining access to, and for use of, the Transfer Line shall be borne by King County.

3.3 Updated Non-Disclosure Agreement and Due Diligence Period

3.3.1 Subject to the terms of an updated Non-Disclosure Agreement between the Parties, the initial draft of which will be presented by BEW to King County within three (3) days of execution of this Agreement, King County will commence a period of two (2) months of Due Diligence, starting no later than thirty (30) days after the execution of this Settlement Agreement (“Due Diligence Period”). County shall give BEW written notice of the commencement of the Due Diligence Period. Within five (5) days of the start of the Due Diligence Period, BEW will provide King County with a complete description of any and all material improvements, new equipment, replacements, or upgrades to the Plant since it was originally constructed in 2009.

3.3.2 During the Due Diligence Period, County shall have the right to (i) review information regarding the Plant and Plant operations, including the cost of operations, (ii) review all financial records associated with Plant operations and gas sales, (iii) determine whether the Palumbo Patent provides sufficient intellectual property for the County to operate the Plant, and (iv) have access to the Plant to conduct engineering reviews at reasonable times. During the Due Diligence Period, BEW shall make available the Plant Manager, Plant Engineer, and other relevant BEW employees for due diligence questions, as well as provide access to any documents and records related to Plant operations, and provide responses to any questions related to such documents and records. BEW and Ingenco agree to cooperate with King County’s reasonable due diligence efforts.

3.3.3 In addition, within the first thirty (30) days of the Due Diligence Period, BEW will operate the Plant, consistent with normal commercial practice, for a minimum of seven (7) consecutive days continuously, subject to King County complying with its obligations under Exhibit 1 to this Agreement (“Demonstration Period”). The Parties will mutually agree on the restart of the Plant and the commencement of the Demonstration Period, with the expectation that it will commence early to mid- May 2025. Prior to the start of the Demonstration Period, BEW will restart Plant operations for a sufficient period of time prior to the Demonstration Period to enable King County to compile a waste profile

of the Plant Condensate so that King County may arrange for the lawful disposal of such Plant Condensate, whether produced during the period when BEW restarts the Plant, or during the Demonstration Period. Prior to the start of Plant operations, King County and BEW will assess whether the Product Gas generated during the Plant operation for the purposes of compiling a waste profile of the Plant Condensate can be flared by BEW. King County and BEW will work cooperatively in good faith to make the required arrangements with PSE for BEW to deliver the corresponding amount of Product Gas that is not flared to the Transfer Line/Northwest Pipeline produced during the Due Diligence Period. For the avoidance of any doubt, any agreement for BEW's access to the Transfer Line/Northwest Pipeline during the Demonstration Period, if required by PSE, will be called the "Due Diligence Period Pipeline Access Agreement."

3.3.4 During the Demonstration Period, King County will have the opportunity to sample and evaluate Product Gas production volume and quality, including testing the Product Gas to determine whether it contains arsenic or any other constituents that could potentially prevent its injection into the Transfer Line/Northwest Pipeline, or otherwise impact the sale of such Product Gas.

3.3.5 King County will assume full responsibility for, and pay all normal and customary plant operating expenses related to the County's requested operation of the Plant by BEW during the Due Diligence Period, including disposal of any dangerous waste contained in the Plant Condensate produced during such Due Diligence Period. BEW and King County will work together to determine a mutually acceptable date that BEW will restart the Plant.

3.3.6 Prior to the restart of the Plant, King County will enter into an interim and temporary co-generator agreement with BEW under which King County will use its Site ID to accept liability for, and establish financial responsibility for the disposal of any dangerous waste generated during the Due Diligence Period, including indemnification of BEW by King County for any liability associated with the generation, regulatory obligations for handling, and the disposal of dangerous waste produced at the Plant during the Due Diligence Period ("Interim and Temporary Co-Generator Agreement"). A draft of such Interim and Temporary Co-Generator Agreement shall be provided to BEW by the County within fifteen (15) days of execution of this Agreement. The Interim and Temporary Co-Generator Agreement will survive even in the event that the purchase of the Plant under the Asset Purchase and Sale Agreement described below ("P&S Agreement") does not close, and this Settlement Agreement is terminated.

3.3.7 King County acknowledges that BEW is subject to an order from the Puget Sound Clean Air Agency ("PSCAA") that requires stack testing of the 18 Detroit Diesel Series 60 engine generator sets installed by BEW to convert "tail gas" from Plant operations into electricity. That testing is required by Notice of Construction 12185, the air permit issued by PSCAA to BEW covering installation and operation of such engine generator sets, and must be completed within thirty (30) days of restart of the Plant. BEW will use its best efforts to obtain from PSCAA a waiver of such testing requirements until

such time as the Plant is restarted by the County following closing on the purchase of the Plant.

3.3.8 In the event BEW cannot obtain the foregoing waiver from PSCAA, BEW will use reasonable efforts to schedule and complete the stack testing during the Demonstration Period, recognizing that there is no guarantee that BEW will be able to do so, given the need to involve a qualified third-party contractor, and the strict requirements of the test protocol. BEW will assume responsibility for the cost of the stack testing, subject to the County's continued compliance with its obligations under Exhibit 1. BEW anticipates that the stack testing will take approximately one week to complete. Failure of BEW to obtain a waiver from PSCAA, or failure to timely complete stack testing, does not limit or otherwise excuse BEW from its obligation under this Agreement to complete the Demonstration Period.

3.3.9 Should BEW elect to undertake the stack testing, but be unable to complete such stack testing during the Demonstration Period, BEW may, at its cost, extend Plant operations beyond the Demonstration Period until the stack testing requirements are completed. County shall continue to be responsible for the disposal of Plant Condensate generated during the extended Plant operating period (as long as it does not extend beyond the Due Diligence Period), per the terms of the Interim and Temporary Co-Generator Agreement.

3.3.10 BEW will keep the County advised of its efforts to schedule the stack testing required by the air permit. If BEW is unable to schedule the stack testing within the deadlines established in this Agreement for the initial Plant restart, Demonstration Period, and Due Diligence Period, understanding that the stack testing must occur within thirty (30) days of the initial Plant restart, King County and BEW will work together in good faith to amend the deadlines in this Agreement for the Demonstration Period, Due Diligence Period, Closing Date, and any other impacted deadlines, to ensure that BEW operates the Plant as required by this Agreement during the Demonstration Period prior to the close of Due Diligence. The Parties acknowledge and agree that BEW has the right not to restart the Plant until it is comfortable that the stack testing can be performed by a qualified contractor within thirty (30) days of Plant restart or as required by PSCAA.

3.4 The Parties Will Negotiate the Terms of the Asset Purchase and Sale Agreement and Sign the Agreement.

3.4.1 Within fifteen (15) days of execution of this Agreement by the Parties, King County will provide BEW a draft of the proposed P&S Agreement, and BEW will provide King County the proposed License Agreement.

3.4.2 King County and BEW will use their best efforts to reach agreement on the terms of the proposed P&S Agreement within forty-five (45) days of submission of the draft agreement by King County to BEW. Following confirmation by email from Charles Packard, C.E.O. of BEW, and John Taylor, Director of the County Department of Natural

Resources and Parks (“DNRP”), that they agree to the terms of the proposed P&S Agreement, the King County Executive will then present, as soon as practicable, to the King County Council, and recommend adoption of, an ordinance or ordinances providing authorization to sign the proposed P&S Agreement and requesting a supplemental appropriation for the funds necessary to fulfill the terms of this Agreement and the P&S Agreement (together, the “Appropriation Ordinance”).

3.4.3 The Appropriation Ordinance will include a \$5 million payment to BEW to settle the Litigation. The \$5 million payment does not establish that either Party was a Prevailing Party for the purposes of 42 U.S.C. § 1983 and § 1988, and shall not serve as justification for BEW to recover attorneys’ fees in association with its Section 1983 claim. To avoid any doubt, BEW expressly waives all rights to seek any attorneys’ fees under 42 U.S.C. § 1983 and § 1988, or under any other source or authority that provides for attorneys’ fees. The foregoing waiver shall not survive the County’s failure to close on the P&S Agreement and complete the purchase of the Plant, and BEW expressly reserves such rights should the Litigation resume. The \$5 million payment will be transferred to BEW at the time of the closing on the P&S Agreement. If the transaction does not close for any reason, BEW will not be entitled to the \$5 million payment, and the Litigation shall promptly proceed to trial, as determined by the Court.

3.4.4 The obligation of the County to purchase the Plant is expressly conditioned upon approval by the King County Council of the proposed P&S Agreement and the appropriation of the Purchase Price by the King County Council. King County shall use its best efforts, to present the proposed P&S Agreement, and to introduce, for Council approval, the Appropriation Ordinance for the Purchase Price, as defined in Section 3.4.2 above.

3.4.5 Within fifteen (15) days after the execution of this Settlement Agreement, King County shall place a \$3 million earnest money payment (“Earnest Money Payment”) in escrow with an escrow company mutually acceptable to the Parties, pursuant to the terms of a mutually acceptable escrow agreement (“Escrow Agreement”). King County will provide the draft of the proposed Escrow Agreement and the name of the proposed escrow agent to BEW within five (5) days of execution of this Settlement Agreement. BEW shall respond to King County within three (3) days of receipt of the proposed Escrow Agreement.

3.4.6 If the Parties are unable to agree on the proposed escrow agent and/or the terms of the Escrow Agreement, the County shall pay the \$3 million Earnest Money Payment into the Court Registry within fifteen (15) days after execution of this Settlement Agreement, and the distribution of the Earnest Money Payment shall be governed by the terms of this Agreement. To the extent that Court orders are required to implement the foregoing, the County and BEW will work together in good faith to obtain such orders from Judge Vaughan on a timely basis, per the guidance previously provided by Judge Vaughan.

3.4.7 Distribution of the Earnest Money Payment shall be as follows:

3.4.7.1 King County shall be entitled to recover its Earnest Money Payment if (i) the Parties fail to agree on the terms of the proposed P&S Agreement; (ii) the Parties fail to agree on the terms of the Interim and Temporary Co-Generator Agreement; (iii) King County terminates the transaction within the Due Diligence Period, including and without limitation, based on its assessment of Plant operations during the Demonstration Period; (iv) King County terminates the transaction because BEW is unable to operate the Plant for seven (7) consecutive days continuously during the Demonstration Period for reasons other than the County's failure to comply with its obligations under Exhibit 1; or (v) King County terminates the transaction because it has been unable to execute the PSE Pipeline Agreement for access to the Transfer Line/Northwest Pipeline.

3.4.7.2 BEW shall be entitled to payment of the Earnest Money Payment only if: (i) King County does not terminate the transaction for the previously stated reasons in Paragraph 3.4.7.1, **and** (ii) the King County Council does not approve the Appropriation Ordinance by the Closing Date.

3.4.8 The terms of this Agreement (other than the provisions of Sections 3.3.6, 3.4.5, 3.4.6 and 3.4.7) shall have no force or effect, and the Litigation shall promptly proceed to trial as determined by the Court, if any one of the following conditions is met: (i) the Parties fail to agree on the terms of the proposed P&S Agreement, (ii) the Parties fail to agree on the terms of the Interim and Temporary Co-Generator Agreement, (iii) the King County Council does not enact the Appropriation Ordinance by the Closing Date, (iv) King County terminates the transaction during the Due Diligence Period, including and without limitation, based on its assessment of Plant operations during the Demonstration Period, (v) King County terminates because BEW is unable to operate the Plant for seven (7) consecutive days continuously during the Demonstration Period for reasons other than the County's failure to comply with its obligations set out in Exhibit 1, or (vi) King County terminates the transaction because it is unable to execute the PSE Pipeline Agreement for access to the Transfer Line/Northwest Pipeline.

3.4.9 Conditions Precedent to Closing under the P&S Agreement are: (i) BEW shall terminate the PDA and Lease agreements with King County, (ii) King County executes the PSE Pipeline Agreement for access to the Transfer Line/Northwest Pipeline as the Plant owner, (iii) all permits, approvals, entitlements, or licenses possessed by BEW that are needed to operate the Plant are assigned or transferred by BEW to King County, (iv) the Parties execute a License Agreement for the Palumbo patent, (v) BEW withdraws all open or pending PRA Requests to King County, and (vi) County returns the original of the \$500,000 letter of credit furnished by BEW as security for BEW's compliance with the terms of the PDA, a copy of which is attached as Exhibit 2 hereto, or in the event that the original cannot be located, the County will enter into an agreement establishing that the letter of credit is null and void.

3.5 Plant Operation Assistance.

3.5.1 BEW shall provide King County with operating assistance for up to sixty (60) days after the closing of the purchase and restart of the Plant, subject to King County reimbursing BEW for all normal and customary costs of its operating personnel who are assisting King County. BEW will continue to exist during this 60-day period to provide such operating assistance and will use reasonable efforts to keep its Plant Manager, Plant Engineer, and key operating personnel employed by BEW during the time period from signing of this Settlement Agreement through such 60-day period following closing of the purchase, or until such time that the Plant Manager, Plant Engineer, and/or other key operating personnel are hired by King County. King County agrees not to offer any BEW employees or consultants employment until the confirmation by email of Charles Packard, C.E.O. of BEW, and John Taylor, Director of DNRP, as to agreement on the terms of the proposed P&S Agreement.

3.6 Suspension and Dismissal of Pending Actions. The Parties agree to dismiss all claims in the Litigation as follows:

3.6.1 The current Litigation will be stayed upon execution of this Settlement Agreement, until the earlier to occur of the following events (i) the Parties fail to agree on the terms of the proposed P&S Agreement, (ii) the Parties fail to agree on the terms of the Interim and Temporary Co-Generator Agreement, (iii) the King County Council does not enact the Appropriation Ordinance by the Closing Date, (iv) King County terminates the transaction during the Due Diligence Period, including and without limitation, based on its assessment of Plant operations during the Demonstration Period, (v) King County terminates because BEW is unable to operate the Plant for seven (7) consecutive days continuously during the Demonstration Period for reasons other than the County's failure to comply with its obligations under Exhibit 1, or (vi) King County terminates the transaction because it is unable to execute the PSE Pipeline Agreement for access to the Transfer Line/Northwest Pipeline. Upon the occurrence of any of these events, the Litigation will resume pursuant to the contingent case schedule ordered by the Court. County will give BEW prompt written notice of the alleged failure of any of the foregoing conditions.

3.6.2 Final dismissal of the Litigation with prejudice will occur upon closing under the P&S Agreement by King County and payment by King County to BEW of \$5 million in settlement of the Litigation. With no additional payments by the Parties, BEW, Ingenco, and King County will release each other from all claims, consistent with the Releases in Paragraphs 4.1 and 4.2 below. The Parties shall reserve and retain their full legal rights against each other, pending final dismissal of the Litigation.

3.6.3 Within five (5) business days following the completion of requirements in Paragraphs 3.1–3.6.2 above, BEW shall provide to King County a draft stipulated order of dismissal of the Litigation, dismissing all claims and counterclaims in the Litigation, with prejudice and without costs and attorneys' fees. Within two (2) business days of receipt,

King County will review and execute, or provide a revised draft stipulated order of dismissal of the Litigation to BEW. BEW agrees to file the executed dismissal stipulation within one business day after both Parties have executed same.

3.6.4 Each Party represents and warrants to the other that it has commenced no actions, claims or complaints against the other Party, other than those specified in this Agreement.

3.6.5 Each Party covenants that it will use its best efforts, and negotiate in good faith with each other, and any required third parties, to satisfy its respective obligations hereunder.

IV. RELEASES, WITHDRAWALS, AND TERMINATION

4.1 Release of BEW/Ingenco. Upon closing on the P&S Agreement described in Section III, and with no additional payment by the Parties, King County, on behalf of itself and its representatives, successors, and assigns, hereby voluntarily and irrevocably releases BEW/Ingenco and its predecessors, executors, administrators, officers, directors, members, employees, attorneys, insurers, and agents (but only to the extent such agents are representing, have represented or will represent directly or indirectly BEW/Ingenco) from any and all claims, actions, causes of action, obligations, demands, rights to reimbursement, public or private injunctive relief, disgorgement, restitution, costs, attorneys' fees, or expenses of any nature, and any other rights or liabilities, whether based upon any federal, state, or local law, statute, ordinance, or regulation, or upon any contract, common law source, or any other source, whether matured or unmatured, contingent or non-contingent, liquidated or unliquidated, known or unknown, asserted or unasserted, which King County may now have, or may ever have, that arise out of, or are in any way connected with, the facts, allegations, and/or causes of action stated in (i) BEW's Third Amended Complaint, (ii) King County's Fourth Amended Answer and Fourth Amended Counterclaims, and (iii) the PDA. The release contained in this paragraph is intended to be broad and expressly includes all claims arising from or related to the formation and execution of this Agreement, including claims alleging this Settlement Agreement was induced by misrepresentation of any kind. To be clear, however, this release does not apply to any claims relating to the performance of this Agreement, including those obligations set forth above in Section III.

4.2 Release of King County. Upon closing on the P&S Agreement described in Section III, and with no additional payment by the Parties, BEW/Ingenco, on behalf of itself and its representatives, successors, and assigns, hereby voluntarily and irrevocably releases King County and its predecessors, executors, administrators, officers, directors, members, employees, attorneys, insurers, and agents (but only to the extent such agents are representing, have represented or will represent directly or indirectly King County) from any and all claims, actions, causes of action, obligations, demands, rights to reimbursement, public or private injunctive relief, disgorgement, restitution, costs, attorneys' fees, or expenses of any nature, and any other rights or liabilities, whether based

upon any federal, state, or local law (including Washington's PRA), statute, ordinance, or regulation, or upon any contract, common law source, or any other source, whether matured or unmatured, contingent or non-contingent, liquidated or unliquidated, known or unknown, asserted or unasserted, which BEW/Ingenco may now have, or may ever have, that arise out of, or are in any way connected with, the facts, allegations, and/or causes of action stated in (i) BEW's Third Amended Complaint, (ii) King County's Fourth Amended Answer and Fourth Amended Counterclaims, (iii) the PDA, and (iv) the PRA. The release contained in this paragraph is intended to be broad and expressly includes all claims arising from or related to the formation and execution of this Agreement, including claims alleging this Settlement Agreement was induced by misrepresentation of any kind. To be clear, however, this release does not apply to any claims relating to the performance of this Agreement, including those obligations set forth above in Section III.

4.3 No Admission of Liability. It is agreed and understood that the considerations herein provided are given in compromise and settlement of claims asserted against King County and BEW, and the Parties continue to deny liability. All claims remain disputed as to liability and damages, and neither the entry into, nor the performance of, this Agreement shall be determined to constitute any admission by the Parties. The Parties agree that neither Party shall be a Prevailing Party for the purposes of any attorneys' fees, including under 42 U.S.C. § 1983 and § 1988 or any other source or authority which provides for the Prevailing Party to recover attorneys' fees.

4.4 Withdrawal and Suspension of Public Records Act ("PRA") Requests. Upon execution of the Settlement Agreement, BEW shall suspend all pending PRA requests to the County, and not file any new PRA requests, until the earlier of (i) resumption of the Litigation per the terms of this Agreement, or (ii) the closing of the Plant purchase under the P&S Agreement, whereupon all pending BEW requests under the PRA shall be withdrawn. Upon closing of the Plant purchase under the P&S Agreement, BEW and Ingenco shall release King County from any and all claims under the PRA as described in Paragraph 4.2.

4.5 Termination of the PDA and Lease. The PDA and the Lease shall terminate upon the closing of the purchase of the Plant by King County.

V. COVENANTS NOT TO SUE

5.1 King County, on the one hand, and BEW, on the other, covenant and agree not to sue, threaten to sue, demand, or voluntarily cooperate with, instruct, encourage, aid, or consent to a third party suing or threatening to sue, or otherwise to seek to enforce any obligation that any Party has to the other, except as set forth and permitted under this Agreement. Each of the Parties further agrees not to indemnify, fund, support, or in any other way assist or facilitate a third party in the prosecution or defense of any litigation or claim against or by a Party.

VI. REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties by King County. King County represents and warrants that:

6.1.1 It has the full power, right, and authority to execute and deliver the Agreement and to perform its obligations under this Agreement according to its terms;

6.1.2 The execution and delivery of the Agreement and the consummation of the transactions required by the Agreement will not violate or conflict with any charter, provision, or bylaw it may have;

6.1.3 It has taken all required official actions to approve and adopt this Agreement;

6.1.4 The person executing this Agreement on behalf of King County is duly authorized and empowered to do so;

6.1.5 No claim, demand, cause of action, or other matter released herein, and no portion of any such claim, demand, cause of action, or other matter, has been assigned or otherwise transferred by King County to any other Entity, either directly, indirectly, or by subrogation or operation of law;

6.1.6 King County has been represented by competent and independent counsel of its own choice throughout all negotiations preceding the execution of this Agreement, and has executed this Agreement upon the advice of said competent and independent counsel regarding the meaning and legal effect of this Agreement, and regarding the advisability of agreeing to the terms and conditions herein, and fully understands the same; and

6.1.7 King County has not filed any claims against BEW other than the claims in the Litigation.

6.2 Representations and Warranties by BEW. BEW represents and warrants that:

6.2.1 It has the full power, right, and authority to execute and deliver the Agreement and to perform its obligations under this Agreement according to its terms;

6.2.2 The execution and delivery of the Agreement and the consummation of the transactions required by the Agreement will not violate or conflict with any charter, provision, or bylaw BEW may have;

6.2.3 It has taken all required company actions to approve and adopt this Agreement;

6.2.4 The person executing the Agreement on behalf of BEW is duly authorized and empowered to do so;

6.2.5 No claim, demand, cause of action, or other matter released herein, and no portion of any such claim, demand, cause of action, or other matter, has been assigned or otherwise transferred by BEW to any other Entity, either directly, indirectly, or by subrogation or operation of law;

6.2.6 BEW has been represented by competent and independent counsel of its own choice throughout all negotiations preceding the execution of this Agreement, and has executed this Agreement upon the advice of said competent and independent counsel regarding the meaning and legal effect of this Agreement, and regarding the advisability of agreeing to the terms and conditions herein, and fully understands the same; and

6.2.7 BEW has not filed any litigation against King County other than the claims in the Litigation.

6.3 Mutual Representations and Warranties. Other than the representations expressly set out in this Agreement, the Parties represent and warrant to each other that they have not relied upon any representation, statement, or omission made at any time by the other Party, or any information or documents provided at any time by the other Party, in entering into this Agreement. The Parties recognize that they may discover information in the future relating to the Litigation, the PDA, or any aspect of the Parties' relationships that could change their willingness to enter into this Agreement upon the terms contained herein. The Parties nevertheless recognize that the consideration and terms in this Agreement are based upon the understanding that each Party is providing releases, representations and covenants under the terms of this Agreement, including releases of any and all claims based upon fraudulent inducement of this Agreement and claims based upon information that was not known to a Party at the time of this Agreement. The Parties recognize that this Agreement releases claims that a Party may not know of, or suspect to exist, in its favor at the time of this Agreement, which if known to the Party would or could materially affect that Party's desire to enter into this Agreement upon the terms contained herein. The Parties nevertheless have decided to proceed to enter into this Agreement on the terms contained herein. THE PARTIES FURTHER ALLOCATE THE RISK OF ANY MISTAKES BY EITHER PARTY IN ENTERING INTO THIS AGREEMENT TO THE PARTY WHO LATER CLAIMS IT WAS MISTAKEN.

VII. ASSIGNABILITY, SUCCESSORS, AND ASSIGNS

7.1 No Transfer. Neither Party may transfer, grant, or assign any rights or delegate any duties under this Agreement to any third party without the prior written consent of the other Party, and any such attempted assignment without such consent shall be null and void.

7.2 Successors and Assigns. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns.

VIII. DISPUTE RESOLUTION

8.1 Breach of Agreement. The Parties acknowledge that this Agreement does not affect their respective rights to seek any relief to which they may be entitled as a result of any breach of this Agreement by the other Party, subject to the terms and conditions herein. The Parties also agree that any disputes under this Agreement that cannot be resolved by the Parties will be referred to U.S. Magistrate Judge S. Kate Vaughan for final resolution, consistent with Judge Vaughan's prior guidance to the Parties.

8.2 Applicable Law. The Parties agree that this Agreement and its terms and conditions shall be subject to, and construed in accordance with, the laws of the State of Washington, without respect to conflict of laws provisions.

8.3 Exclusive Jurisdiction. The Parties expressly acknowledge and agree that (i) their respective releases contained in Paragraphs 4.1 and 4.2 of this Agreement and (ii) their consent to the exclusive jurisdiction of the state and federal courts of King County, Washington, are material provisions of this Agreement. The Parties further expressly acknowledge and agree that the pursuit of any action, claim or demand subject to the releases contained in Paragraphs 4.1 and 4.2 of this Agreement, in any jurisdiction, including an action or claim alleging that this Agreement was fraudulently induced, would cause the other Party irreparable harm, and that the defending party would have no adequate remedy at law. If a Party pursues any action or claim subject to the releases contained in Paragraphs 4.1 and 4.2 of this Agreement, in any jurisdiction, including an action or claim alleging that this Agreement was fraudulently induced, the Parties hereby consent to the entry of an injunction by the state or federal courts of King County, Washington, prohibiting such Party from prosecuting such action or claim in any jurisdiction.

IX. MISCELLANEOUS

9.1 No Relationship Created. Nothing in this Agreement is intended or shall be deemed to constitute or create a partnership, agency, employer-employee, or joint venture relationship between any Entities.

9.2 Effective Date and Time. This Agreement is not to be effective or binding on either of the Parties unless and until it has been executed by, or on behalf of, each Party.

9.3 Severability. If any provision of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid, or unenforceable, or otherwise in conflict with law, the remaining provisions shall remain in full force and effect. If any provision of this Agreement is deemed illegal, invalid, or unenforceable, or otherwise in conflict with law, it shall be deemed modified to the extent necessary to make it legal, valid, or enforceable, or otherwise in accordance with law, unless such modification would be contrary to, or

materially inconsistent with, another provision of this Agreement, or the intent of the Parties.

9.4 Captions. Captions or headings used in this Agreement are for the convenience of the Parties only, and shall not be considered part of this Agreement, or used to construe the terms of this Agreement.

9.5 Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all prior and contemporaneous written or oral agreements or communications as to such subject matter, including the material settlement terms described in Paragraph 1.5, all of which are merged and fully integrated into this Agreement. It shall not be modified except by a written agreement dated subsequent to the Effective Date, and signed on behalf of the Parties by their respective duly authorized representatives.

9.6 Counterparts and Facsimile or Electronic Signatures. This Agreement may be executed in two or more counterparts by the Parties, or in separate counterparts, and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement. Execution of this Agreement may be accomplished by signing this Agreement and transmitting the signature page by facsimile or email to the other Party.

9.7 Costs. Each Party shall bear its own costs, expenses, and attorneys' fees incurred in connection with the Litigation, the making of this Agreement, and its performance under this Agreement.

9.8 No Construction Against Drafter. This Agreement has resulted from negotiations between the Parties and their respective legal counsel, and each Party acknowledges that it has had the opportunity to negotiate modifications to the language of this Agreement. Accordingly, each Party agrees that in any dispute regarding the interpretation or construction of this Agreement, no statutory, common law, or other presumption shall operate in favor of, or against either Party hereto, by virtue of its role in drafting or not drafting the terms and conditions set forth herein.

9.9 No Waiver. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver unless expressly stated in writing by the Party making the waiver. No waiver of any provision shall be binding in any event unless executed in writing by the Party making the waiver.

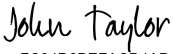
9.10 Compromise Only. This Agreement is entered into for purposes of settlement and compromise only. Nothing contained in this Agreement, or done or omitted in connection with this Agreement, is intended as or shall be construed as an admission of, or by, either of the Parties, their Affiliates, or any other Entity of any fault, liability, act, omission, or wrongdoing whatsoever.

9.11 Non-exhaustive Lists. Unless otherwise indicated, instances of “including” and “includes” (or other variants) are to be given an open-ended and non-exhaustive meaning (e.g., without limitation).

9.12 Full Understanding; Independent Legal Counsel. EACH PARTY THAT EXECUTES THIS AGREEMENT REPRESENTS AND WARRANTS THAT IT: HAS CAREFULLY READ AND FULLY UNDERSTANDS THIS AGREEMENT AND ITS FINAL AND BINDING EFFECT; HAS BEEN AFFORDED SUFFICIENT TIME AND OPPORTUNITY TO REVIEW THIS AGREEMENT WITH ADVISORS OR ATTORNEYS OF ITS CHOICE; HAS HAD AN OPPORTUNITY TO NEGOTIATE WITH REGARD TO THE TERMS OF THIS AGREEMENT; IS FULLY COMPETENT TO MANAGE ITS OWN BUSINESS AFFAIRS AND TO ENTER INTO OR SIGN THIS AGREEMENT; HAS SIGNED THIS AGREEMENT KNOWINGLY, FREELY AND VOLUNTARILY; AND THAT THE ONLY PROMISES MADE TO INDUCE IT TO SIGN THIS AGREEMENT AND RELEASE ARE THOSE STATED HEREIN.

WHEREFORE, the Parties hereby acknowledge their agreement and consent to the terms and conditions set forth above through their respective signatures below.

King County, a municipal corporation

Signed by:

7C94D6BEFACD4AD...
By: John Taylor, Director King County Department of
Natural Resources and Parks

DATED: 3/19/2025

Bio-Energy (Washington), LLC

DocuSigned by:

41E1A34D86E4418...
By: Charles J. Packard, C.E.O. of Bio-Energy
(Washington), LLC

DATED: 3/20/2025

Exhibit 1

Conditions for the Operation of the BEW Plant during the Due Diligence Period.

After restarting the Plant and allowing Plant operation conditions to stabilize, BEW will, subject to the County meeting its obligations set out below, operate the Plant continuously for seven consecutive days (168 hours).

The County will operate at least one booster blower during this period to provide adequate inlet landfill gas pressure to the Plant, per the terms of the PDA.

The Parties acknowledge and agree that the Plant has a maximum nitrogen removal capability. The Parties further acknowledge that excessive oxygen (O₂) in the incoming landfill gas will cause an automatic plant safety shutdown (“trip”). Additionally, the Parties also acknowledge and agree that there is a maximum amount of landfill gas that the Plant can process, irrespective of N₂ or O₂ levels. Finally, the Parties acknowledge that there are specifications applicable to Product Gas sent to the Northwest Pipeline that include limitations on oxygen and nitrogen.

For all of the foregoing reasons, prior to the start of the Demonstration Period, BEW will ramp up Plant operations incrementally (turning off the NFS flares one at a time) in order to achieve the highest stage of operations that allows BEW to (i) still meet the Product Gas specifications established by the Northwest Pipeline, and (ii) maintain adequate safety margins. If that means that the Plant can achieve Stage 5 (i.e. no NFS flares operating), BEW will seek to maintain that level of operation.

If the highest stage BEW can achieve while still meeting the Product Gas specifications and plant safety requirements is Stage 4, or lower, BEW will maintain that level of operations until the contents of the incoming landfill gas improve enough to allow BEW to move to a higher stage of operation. The foregoing adjustment process shall continue throughout the Demonstration Period with the objective of maintaining continuous Plant operation during the period.

If BEW cannot attain Stage 5, or having attained it, must reduce operations to below Stage 5 due to the foregoing limitations, the Parties will work cooperatively to return to Stage 5 as quickly as possible during the Demonstration Period. If Plant operations drop below Stage 3, the Parties will pause the Demonstration Period and resume when BEW is able to return to Stage 3 or higher. For the avoidance of any doubt, the Demonstration Period will not start again at hour 1 of the 168 hours. Instead, if the Plant has operated for 20 hours before dropping below Stage 3, when the Plant returns to Stage 3 operations again, the Demonstration Period will pick up at hour 20.

BEW will also prepare a written report at the end of the Demonstration Period summarizing the Plant operations during the period and explaining all of the potential

reasons known to BEW at that time that it could not maintain Stage 5 operations at any time during the Demonstration Period, including whether the failure to meet Stage 5 was due to the Product Gas specifications established by the Northwest Pipeline, malfunctions of Plant equipment, the quality or quantity of the landfill gas delivered by King County, or any other reason or combination of reasons. Such report must be delivered to King County no later than five (5) business days prior to the close of the Due Diligence Period. BEW makes no representations or warranties as to the suitability of the Plant to operate at Stage 5.

Exhibit 2
Letter of Credit

JPMorgan Chase Bank, N.A.
Global Trade Services
131 South Dearborn, 5th Floor
Mail Code: IL1-0236
Chicago, IL 60603-5506

JUN 1, 2016
OUR L/C NO.: CTCS-711023

TO:	APPLICANT:
KING COUNTY WASHINGTON,	BIO ENERGY (WASHINGTON), LLC
A WASHINGTON MUNICIPAL CORPORATION	2250 DABNEY ROAD
KING ST. CENTER	RICHMOND, VA 23230
201 SOUTH JACKSON, SUITE 701	
SEATTLE, WA 98104-3855	

WE HAVE ESTABLISHED OUR IRREVOCABLE STANDBY LETTER OF CREDIT IN YOUR FAVOR
AS DETAILED HEREIN SUBJECT TO ISP98

DOCUMENTARY CREDIT NUMBER: CTCS-711023

FURTHER IDENTIFICATION: ISSUE

BENEFICIARY:	KING COUNTY WASHINGTON,
	A WASHINGTON MUNICIPAL CORPORATION
	KING ST. CENTER
	201 SOUTH JACKSON, SUITE 701
	SEATTLE, WA 98104-3855

APPLICANT:	BIO ENERGY (WASHINGTON), LLC
	2250 DABNEY ROAD
	RICHMOND, VA 23230

DATE AND PLACE OF EXPIRY: APRIL 21, 2017
AT OUR COUNTER

DOCUMENTARY CREDIT AMOUNT: USD500,000.00

AVAILABLE WITH:	JPMORGAN CHASE BANK, N.A.
	CHICAGO, IL
	BY PAYMENT

FUNDS UNDER THIS CREDIT ARE AVAILABLE AGAINST PRESENTATION OF THE
BENEFICIARY'S SIGNED AND DATED STATEMENT REFERENCING OUR LETTER OF CREDIT
NO. CTCS-711023, STATING THE AMOUNT OF THE DEMAND AND READING AS FOLLOWS:

"I (STATE NAME AND TITLE) HEREBY CERTIFY THAT I AM A REPRESENTATIVE OF

JPMorgan Chase Bank, N.A.
Global Trade Services
131 South Dearborn, 5th Floor
Mail Code: IL1-0236
Chicago, IL 60603-5506

JUN 1, 2016
OUR L/C NO.: CTCS-711023

KING COUNTY WASHINGTON, A WASHINGTON MUNICIPAL CORPORATION ("BENEFICIARY") AUTHORIZED TO EXECUTE THIS STATEMENT AND THAT THE AMOUNT OF THE ACCOMPANING DRAFT REPRESENTS FUNDS DUE US AS BIO ENERGY (WASHINGTON), LLC ("APPLICANT") HAS FAILED TO COMPLY WITH THE AGREEMENT BETWEEN BIO ENERGY (WASHINGTON), LLC AND KING COUNTY WASHINGTON, A WASHINGTON MUNICIPAL CORPORATION. WE HEREBY DEMAND THE AMOUNT OF USD----- UNDER JPMORGAN CHASE BANK, N.A. LETTER OF CREDIT NO. CTCS-711023."

THE EXPIRATION DATE OF THIS LETTER OF CREDIT WILL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR A PERIOD OF ONE YEAR FROM THE EXPIRATION DATE HEREOF, OR ANY FUTURE EXPIRATION DATE, UNLESS AT LEAST NINETY (90) DAYS PRIOR TO THE THEN CURRENT EXPIRATION DATE, WE SEND NOTICE TO BENEFICIARY BY OVERNIGHT COURIER AT BENEFICIARY'S ADDRESS SHOWN ABOVE, UNLESS A CHANGE OF ADDRESS IS OTHERWISE NOTIFIED BY YOU TO US IN WRITING BY RECEIPTED MAIL OR COURIER, THAT WE ELECT NOT TO EXTEND THE EXPIRATION DATE OF THIS LETTER OF CREDIT FOR ANY SUCH ADDITIONAL PERIOD. UPON SUCH NOTICE TO YOU, YOU MAY DRAW AT ANY TIME PRIOR TO THE THEN CURRENT EXPIRATION DATE UP TO THE FULL AMOUNT THEN AVAILABLE. HOWEVER IN NO EVENT WILL THIS LETTER OF CREDIT BE AUTOMATICALLY EXTENDED BEYOND THE FINAL EXPIRATION DATE OF OCTOBER 30, 2030.

THIS LETTER OF CREDIT MAY BE CANCELLED PRIOR TO EXPIRATION PROVIDED THE ORIGINAL LETTER OF CREDIT (AND AMENDMENTS, IF ANY) ARE RETURNED TO JPMORGAN CHASE BANK, N.A., CHICAGO, IL WITH A STATEMENT SIGNED BY THE BENEFICIARY STATING THAT THE ATTACHED LETTER OF CREDIT IS NO LONGER REQUIRED AND IS BEING RETURNED TO THE ISSUING BANK FOR CANCELLATION.

PARTIAL/MULTIPLE DRAWINGS ARE PERMITTED.

WE ENGAGE WITH YOU THAT PRESENTATIONS MADE UNDER AND IN CONFORMITY WITH THE TERMS AND CONDITIONS OF THIS CREDIT WILL BE DULY HONORED ON PRESENTATION IF PRESENTED ON OR BEFORE THE EXPIRATION AT OUR COUNTERS AT 131 SOUTH DEARBORN, 5TH FLOOR, MAIL CODE IL1-0236, CHICAGO, IL 60603-5506, ATTN: STANDBY LETTER OF CREDIT UNIT.

ALL PAYMENTS DUE HEREUNDER SHALL BE MADE BY WIRE TRANSFER TO THE BENEFICIARY'S ACCOUNT PER THEIR INSTRUCTIONS. THE ORIGINAL LETTER OF CREDIT MUST ACCOMPANY THE DOCUMENTS REQUIRED UNDER THIS CREDIT FOR

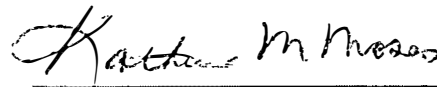
JPMorgan Chase Bank, N.A.
Global Trade Services
131 South Dearborn, 5th Floor
Mail Code: IL1-0236
Chicago, IL 60603-5506

JUN 1, 2016
OUR L/C NO.: CTCS-711023

ENDORSEMENT. ALL DOCUMENTS PRESENTED MUST BE IN ENGLISH.

THIS LETTER OF CREDIT IS GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AND, EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN, TO THE INTERNATIONAL STANDBY PRACTICES, ICC PUBLICATION NO. 590 (THE "ISP98"), AND IN THE EVENT OF ANY CONFLICT, THE LAWS OF THE STATE OF NEW YORK WILL CONTROL, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.

PLEASE ADDRESS ALL CORRESPONDENCE REGARDING THIS LETTER OF CREDIT TO THE ATTENTION OF THE STANDBY LETTER OF CREDIT UNIT, 131 SOUTH DEARBORN, 5TH FLOOR, MAIL CODE IL1-0236, CHICAGO, IL 60603-5506 INCLUDING THE LETTER OF CREDIT NUMBER MENTIONED ABOVE. FOR TELEPHONE ASSISTANCE, PLEASE CONTACT THE STANDBY CLIENT SERVICE UNIT AT 1-800-634-1969, OR 1-813-432-1210, AND HAVE THIS LETTER OF CREDIT NUMBER AVAILABLE.



AUTHORIZED SIGNATURE

Exhibit B
Form of Assignment and Assumption Agreement

See attached.

Assignment and Assumption Agreement

This Assignment and Assumption Agreement (the “**Agreement**”), effective as of [●], 2025 (the “**Effective Date**”), is by and between Bio-Energy (Washington), LLC, a Delaware limited liability company (“**Seller**”), and King County, a Washington municipal corporation (“**Buyer**”).

WHEREAS, Seller and Buyer have entered into a certain Asset Purchase Agreement, dated as of Effective Date (the “**Purchase Agreement**”), pursuant to which, among other things, Seller has agreed to assign all of its rights, title and interests in, and Buyer has agreed to assume all of Seller’s duties and obligations under, the Transferred Contracts (as defined in the Purchase Agreement).

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions. All capitalized terms used in this Agreement but not otherwise defined herein are given the meanings set forth in the Purchase Agreement.

2. Assignment and Assumption. Seller hereby sells, assigns, grants, conveys and transfers to Buyer all of Seller’s right, title and interest in and to the Transferred Contracts. Buyer hereby accepts such assignment and assumes all of Seller’s duties and obligations under the Transferred Contracts and agrees to pay, perform and discharge, as and when due, all of the obligations of Seller under the Transferred Contracts accruing on and after the Effective Date.

3. Terms of the Purchase Agreement. The terms of the Purchase Agreement, including, but not limited to, the representations, warranties, covenants, agreements and indemnities relating to the Transferred Contracts are incorporated herein by this reference. The parties hereto acknowledge and agree that the representations, warranties, covenants, agreements and indemnities contained in the Purchase Agreement shall not be superseded hereby but shall remain in full force and effect to the full extent provided therein. In the event of any conflict or inconsistency between the terms of the Purchase Agreement and the terms hereof, the terms of the Purchase Agreement shall govern.

4. Governing Law. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of Washington without giving effect to any choice or conflict of law provision or rule (whether of the State of Washington or any other jurisdiction). Any legal suit, action, proceeding, or dispute arising out of or related to this Agreement or the transactions contemplated by this Agreement may be instituted in the federal court of the United States of America located in the city of Seattle, and each Party irrevocably submits to the exclusive jurisdiction of such court in any such suit, action, proceeding, or dispute.

5. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

6. Further Assurances. Each of the parties hereto shall execute and deliver, at the reasonable request of the other party hereto, such additional documents, instruments, conveyances and assurances and take such further actions as such other party may reasonably request to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the date first above written.

BIO-ENERGY (WASHINGTON), LLC

By _____

Name: Charles J. Packard

Title: Chief Executive Officer

KING COUNTY

By _____

Name: John Taylor

Title: Director, King County Department of Natural
Resources and Parks

Exhibit C
Form of Bill of Sale

See attached.

Bill of Sale

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Bio-Energy (Washington), LLC, a Delaware limited liability company (“**Seller**”), does hereby grant, bargain, transfer, sell, assign, convey and deliver to King County, a Washington municipal corporation (“**Buyer**”), all of its right, title, and interest in and to the Tangible Personal Property, as such term is defined in the Asset Purchase Agreement, dated as of the date of this Bill of Sale (the “**Purchase Agreement**”), by and between Seller and Buyer, to have and to hold the same unto Buyer, its successors and assigns, forever.

Buyer acknowledges that Seller makes no representation or warranty with respect to the assets being conveyed hereby except as specifically set forth in the Purchase Agreement.

Seller for itself, its successors and assigns, hereby covenants and agrees that, at any time and from time to time upon the written request of Buyer, Seller will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney, and assurances as may be reasonably required by Buyer in order to assign, transfer, set over, convey, assure, and confirm unto and vest in Buyer, its successors and assigns, title to the assets sold, conveyed, and transferred by this Bill of Sale.

IN WITNESS WHEREOF, Seller has duly executed this Bill of Sale as of _____, 2025.

BIO-ENERGY (WASHINGTON), LLC

By _____
Name: Charles J. Packard
Title: Chief Executive Officer

Exhibit D
Form of Transition Services Agreement

See attached.

TRANSITION SERVICES AGREEMENT

by and between

KING COUNTY

and

BIO-ENERGY (WASHINGTON), LLC

[•], 2025

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TRANSITION SERVICES AGREEMENT

This Transition Services Agreement (“**Agreement**”), is entered into as of [●], 2025, by and between Bio-Energy (Washington), LLC, a Delaware limited liability company (“**Seller**”), and King County, a Washington municipal corporation (“**Purchaser**”). Seller and Purchaser are sometimes hereinafter collectively referred to as the “Parties,” and individually as a “Party.”

Recitals

WHEREAS, Purchaser and Seller have entered into that certain Asset Purchase Agreement, dated as of the date of this Agreement (the “**Purchase Agreement**”), pursuant to which Seller has agreed to sell and assign to Purchaser, and Purchaser has agreed to purchase and assume from Seller, substantially all the assets, and certain specified liabilities, used in the ownership and operation of the Plant (as such term is defined in the Purchase Agreement), all as more fully described in the Purchase Agreement;

WHEREAS, Seller and Purchaser entered into a Settlement Agreement and Releases, dated March 20, 2025, a copy of which is attached as Exhibit A to the Purchase Agreement (the “**Settlement Agreement**”), whereby the Seller agreed, among other things, to provide Purchaser with operating assistance for up to sixty (60) days after the closing of the purchase and restart of the Plant, subject to Purchaser reimbursing Seller for all normal and customary costs of its operating personnel who are assisting Purchaser;

WHEREAS, the Purchaser has indicated it may desire and/or need to have its personnel trained in the operation of the Plant by Seller; and

WHEREAS, Seller has agreed to provide such assistance to Purchaser for a period not to exceed 60 days following the closing of the Purchase Agreement (“**Assistance Period**”);

WHEREAS, the majority of the experience in operating the Plant lies with the current Seller personnel;

WHEREAS, Purchaser has indicated that certain personnel currently employed by Seller may be offered employment with the Purchaser;

WHEREAS, both Parties desire to memorialize the terms under which any such assistance may be provided by Seller to Purchaser; and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the respective meanings ascribed to such terms in the Purchase Agreement.

NOW, THEREFORE, in consideration of the mutual agreements and covenants hereinafter set forth, the receipt and adequacy of which are acknowledged by both Parties, Purchaser and Seller hereby agree as follows:

ARTICLE I SERVICES

Section 1.01 Provision of Services.

(a) Subject to Purchaser’s fulfillment of its obligations to Seller set out in subparagraph (b) below, Seller agrees, during the Assistance Period, to provide, or cause its Affiliates to provide, the services (the “**Services**”) set forth on Exhibit A attached hereto (as such exhibit may be amended or supplemented pursuant to the terms of this Agreement, the “**Services Exhibit**”) to Purchaser for the respective periods and on the terms and conditions set forth in this Agreement and in the Services Exhibit. The Services provided by Seller shall be limited to the

specific Services set out in the Services Exhibit, or in such amended Services Exhibit as are mutually acceptable to the Parties.

(b) During the Assistance Period, Purchaser shall have no fewer than two qualified employees (or qualified third-party contractor employees) charged with responsibility for operating the Plant on site at all times that Purchaser intends to operate, or attempts to operate, the Plant. At least one of the foregoing individuals must have the authority from Purchaser to make operating decisions for Purchaser. The primary responsibility of these two individuals, while they are on the Plant-site, shall be the operation of the Plant, and they shall have no other outside tasks assigned to them by Purchaser that would impact their ability to operate the Plant or require them to leave the Plant Site.

(c) Notwithstanding any other provision of this Agreement to the contrary, if both the current Seller Plant Manager, Kevin Singer, and the current Seller Plant Engineer, Gerran Smith, become employees of or contractors (either directly or indirectly as employees of a third-party contractor engaged by Purchaser to operate the Plant) to Purchaser, at any time, following the Closing, the Parties agree that no further assistance from Seller will be required from the start of such employment or service, and any obligation on the part of Seller to provide assistance to Purchaser shall permanently cease.

(d) If Kevin Singer and Gerran Smith do not become employees of Purchaser, or serve as contractors to Purchaser (either directly or indirectly as employees of or subcontractors to a third-party contractor engaged by Purchaser to operate the Plant) following the Closing, Seller will make the Services available to assist Purchaser with operating the Plant during the Assistance Period, recognizing that Seller can only provide those Services that its remaining personnel are capable of providing to Purchaser.

(e) Notwithstanding the contents of the Services Exhibit, Seller agrees to respond in good faith, and to the extent possible, to any reasonable request by Purchaser for additional services that are necessary for the operation of the Plant and which are not set out in the Services Exhibit, at a price to be agreed upon after good faith negotiations between the Parties. Any such additional services so provided by Seller shall constitute Services under this Agreement and be subject in all respects to the provisions of this Agreement as if fully set forth on a Services Exhibit as of the date hereof.

(f) The Parties hereto acknowledge the transitional nature of the Services. Accordingly, as promptly as practicable following the execution of this Agreement, Purchaser agrees to use commercially reasonable efforts to make a transition of each Service to its own internal organization or to obtain alternate third-party sources to provide the Services. To the extent that Purchaser hires any employees of Seller prior to, or during the term of this Agreement, it shall be Purchaser's responsibility to coordinate the services provided by such former BEW employees with similar or other services being provided by Seller, and Seller assumes no liability for the proper coordination of Services provided by Seller and those provided by employees of Purchaser, or by a third party.

(g) Purchaser acknowledges and agrees that it shall be responsible for operating and maintaining the Plant during the Assistance Period, and that Seller will simply be providing operating assistance at the direction of Purchaser. Any decisions regarding the operation or maintenance of the Plant during the Assistance Period shall be the responsibility of Purchaser. Furthermore, any actual Plant operation or maintenance activity shall be the sole responsibility of Purchaser.

(h) Purchaser acknowledges that all existing employees of Seller are not represented by any labor union nor are they parties to any collective bargaining agreement and that Seller intends to use these employees to provide the Services.

(i) Subject to Section 2.03, Section 2.04 and Section 3.05, the obligations of Seller under this Agreement to provide Services shall terminate at the end of the Assistance Period (the “**End Date**”). Notwithstanding the foregoing, the Parties acknowledge and agree that Purchaser may determine that it does not require the Services for the entire period through the End Date. Purchaser shall give Seller fourteen (14) days advance written notice before such determination becomes effective.

(j) To the extent that Seller incurs demobilization, severance, or other costs associated with the early termination of the Services, such costs shall be paid by Purchaser, subject to Seller providing reasonable documentation of such costs to Purchaser and provided that such costs do not exceed \$10,000. Purchaser further understands and agrees that Seller will not be expected to continue to retain and pay employees of Seller who previously provided Services to Purchaser once Purchaser has decided it no longer needs the Services.

Section 1.02 Standard of Service.

(a) Seller represents, warrants, and agrees that the Services shall be provided in good faith, in accordance with Applicable Law, and, except as specifically provided in the Services Exhibit, in a manner generally consistent with the historical operation of the Plant and with the same standard of care as was historically utilized by Seller. Seller agrees to assign sufficient resources and qualified personnel as are reasonably required to perform the Services in accordance with the standards set forth in the preceding sentence; however, Purchaser acknowledges and agrees that Seller cannot require its operating personnel to remain employees of Seller and that any departures of its operating personnel may affect Seller’s ability to provide the Services hereunder. Seller shall have no liability to Purchaser for any lapses or deficiencies in the Services it provides as a result of such departures provided Seller has not breached this Agreement by (i) terminating its existing personnel without cause during the Assistance Period or by (ii) reducing their current compensation and benefits. Seller will use good faith efforts to retain sufficient operating personnel during the Assistance Period to provide the requested Services, but can provide no guarantees regarding the results of such retention efforts.

(b) Except as expressly set forth in Section 1.02(a) or in any contract entered into hereunder, Seller makes no representations and warranties of any kind, implied or express, with respect to the Services, including, without limitation, no warranties of merchantability or fitness for a particular purpose, which are specifically disclaimed. Purchaser acknowledges and agrees that this Agreement does not create a fiduciary relationship, partnership, joint venture, or relationship of trust or agency between the Parties and that all Services are provided by Seller as an independent contractor. Purchaser also acknowledges that Seller shall not be responsible for any downtime or loss of production from the Plant during the term of this Agreement except for such loss of production that arises from the willful misconduct or gross negligence of Seller.

Section 1.03 Access to Premises.

(a) In order to enable the provision of the Services by Seller, Purchaser agrees that it shall provide to Seller’s and its Affiliates’ employees and any third-party service providers or subcontractors who provide Services, at no cost to Seller, access to the facilities, assets, and books

and records of the Plant, in all cases to the extent necessary for Seller to fulfill its obligations under this Agreement.

(b) Seller agrees that all of its employees, and those of its Affiliates and any third-party service providers and subcontractors, when on the property of Purchaser or when given access to any equipment, computer, software, network, or files owned or controlled by Purchaser, shall conform to the policies and procedures of Purchaser concerning health, safety, and security which are made known to Seller in advance in writing.

Section 1.04 Seller Covenants. Seller shall not, prior to the End Date, take any corporate action for its winding up or dissolution. Seller shall use reasonable efforts to keep its Plant Manager, Plant Engineer, and key operating personnel employed during the Assistance Period until the earlier of the End Date and such time that the Plant Manager, Plant Engineer, and/or such other key operating personnel are hired by Purchaser or its Affiliates.

ARTICLE II COMPENSATION

Section 2.01 Responsibility for Wages and Fees. For such time as any employees of Seller or any of its Affiliates are providing the Services to Purchaser under this Agreement, (a) such employees will remain employees of Seller or such Affiliate, as applicable, and shall not be deemed to be employees of Purchaser for any purpose, and (b) Seller or such Affiliate, as applicable, shall be solely responsible for the payment and provision of all wages, bonuses and commissions, employee benefits, including severance and worker's compensation, and the withholding and payment of applicable Taxes relating to such employment.

Section 2.02 Terms of Payment and Related Matters.

(a) As consideration for provision of the Services, Purchaser shall pay Seller, on a weekly basis, the amounts specified in Services Exhibit for those personnel of Seller who provide any of the Services set out in Services Exhibit. In addition to such amount, in the event that Seller or any of its Affiliates incurs reasonable and documented out-of-pocket expenses in the provision of any Service, including, without limitation, license fees and payments to third-party service providers or subcontractors, but excluding payments made to employees of Seller or any of its Affiliates pursuant to Section 2.01 (such included expenses, collectively, "**Out-of-Pocket Costs**"), Purchaser shall reimburse Seller for all such Out-of-Pocket Costs in accordance with the invoicing procedures set forth in Section 2.02(c).

(b) Concurrently with the execution of this Agreement, Purchaser shall pay to Seller an amount equal to \$10,000 (the "**Deposit**"), which amount shall be applied to the first Invoice (as defined below) provided by Seller to Purchaser and then to any subsequent Invoices to the extent that any amount of the Deposit is remaining after paying the first Invoice. If any amount of the Deposit remains and has not been applied to an Invoice at the end of the Assistance Period, Seller shall pay such amount to Purchaser within three (3) days of the end of the Assistance Period or the termination of this Agreement, whichever is earlier.

(c) As more fully provided in the Services Exhibit and subject to the terms and conditions therein:

(i) Seller shall provide Purchaser, in accordance with Section 6.01 of this Agreement, with an invoice, at the end of each week during the Assistance Period, for the Services rendered that week ("**Invoices**"), which shall set forth in reasonable detail, with

such supporting documentation as Purchaser may reasonably request with respect to Out-of-Pocket Costs, and amounts payable under this Agreement; and

(ii) payments pursuant to this Agreement shall be made within thirty (30) days after the date of receipt of each Invoice by Purchaser from Seller except for any amounts disputed by Purchaser in good faith in accordance with this Agreement.

(d) It is the intent of the Parties that the compensation set forth in the Services Exhibit reasonably approximates the cost of providing the Services, including the cost of employee wages and benefits, without any intent to cause Seller to receive net profit or incur loss, recognizing that Seller will charge reasonable levels of overhead, consistent with past practices, to cover its cost of providing the Services. Such overhead costs are incorporated into the hourly rates set out in Services Exhibit. If at any time Seller believes that the payments contemplated by a specific Services Exhibit item are materially insufficient to compensate it for the cost of providing the Services it is obligated to provide hereunder, or Purchaser believes that the payments contemplated by a specific Services Exhibit item materially overcompensate Seller for such Services, such Party shall notify the other Party as soon as possible, and the Parties hereto will commence good faith negotiations toward an agreement in writing as to the appropriate course of action with respect to pricing of such Services for future periods.

Section 2.03 Potential Extension of Services. The Parties agree that Seller shall not be obligated to perform any Service after the applicable End Date. If Purchaser desires and Seller agrees, in the exercise of Seller's sole discretion, to continue to perform any of the Services after the applicable End Date, the Parties shall negotiate in good faith any revisions to this Agreement requested by Seller as a condition to extending the Services after the applicable End Date. Any such request must be made by Purchaser at least 14 days prior to the applicable End Date.

Section 2.04 Terminated Services. Upon termination or expiration of any or all Services pursuant to this Agreement, or upon the termination of this Agreement in its entirety, Seller shall have no further obligation to provide the applicable terminated Services, and Purchaser shall have no obligation to pay any future compensation or Out-of-Pocket Costs relating to such Services, other than for, or in respect of, Services already provided in accordance with the terms of this Agreement and received by Purchaser prior to such termination.

Section 2.05 Invoice Disputes. Purchaser shall notify Seller in writing of any dispute with the Invoices (along with a reasonably detailed description of the dispute) within five Business Days after Purchaser's receipt of the Invoice. If Purchaser does not timely dispute the Invoice, it shall be deemed accepted by Purchaser as true and correct, and Purchaser shall pay all amounts due under the Invoice within the period set forth in Section 2.02(c)(ii). The Parties shall seek to resolve any disputes expeditiously and in good faith. Notwithstanding anything to the contrary, each Party shall continue performing its obligations under this Agreement during any such dispute, including, without limitation, payment by Purchaser of all undisputed amounts due and payable under Section 2.02(c)(ii).

Section 2.06 No Right of Setoff. Each of the Parties hereby acknowledges that it shall have no right under this Agreement to set off any amounts owed (or to become due and owing) to the other Party, whether under this Agreement, the Purchase Agreement or otherwise, against any other amount owed (or to become due and owing) to it by the other Party.

Section 2.07 Taxes. Purchaser shall be responsible for all sales or use Taxes imposed or assessed as a result of the provision of Services by Seller.

ARTICLE III TERMINATION

Section 3.01 Termination of Agreement. Subject to Section 3.04, this Agreement shall terminate in its entirety (i) on the date upon which Seller shall have no continuing obligation to perform any Services as a result of each of their expiration or termination in accordance with Section 1.01(i) or Section 3.02 or (ii) in accordance with Section 3.03.

Section 3.02 Breach. Either Party (the “**Non-Breaching Party**”) may terminate this Agreement with respect to the Services, in whole but not in part, at any time upon prior written notice to the other Party (the “**Breaching Party**”) if the Breaching Party has failed (other than pursuant to Section 3.05) to perform any of its material obligations under this Agreement relating to such Service, and such failure shall have continued without cure for a period of fifteen (15) Business Days after receipt by the Breaching Party of a written notice of such failure from the Non-Breaching Party seeking to terminate such service. For the avoidance of doubt, non-payment by Purchaser for a Service provided by Seller in accordance with this Agreement, and not the subject of a good-faith dispute, shall be deemed a breach for purposes of this Section 3.02.

Section 3.03 Insolvency. In the event that either Party hereto shall (i) file a petition in bankruptcy, (ii) become, or be declared insolvent, or become the subject of any proceedings (not dismissed within sixty (60) days) related to its liquidation, insolvency, or the appointment of a receiver, (iii) make an assignment on behalf of all, or substantially all, of its creditors, or (iv) take any corporate action for its winding up or dissolution, then the other Party shall have the right to terminate this Agreement by providing written notice in accordance with Section 6.01.

Section 3.04 Effect of Termination. Upon termination of this Agreement in its entirety pursuant to Section 3.01, all obligations of the Parties hereto shall terminate, except for the provisions of Section 2.04, Section 2.06, Section 2.07, ARTICLE IV, ARTICLE V, ARTICLE VI and this Section 3.04, which shall survive any termination or expiration of this Agreement.

Section 3.05 Force Majeure. The obligations of Seller under this Agreement with respect to any Service shall be suspended during the period and to the extent that Seller is prevented or hindered from providing such Service, or Purchaser is prevented or hindered from receiving such Service, due to any of the following causes beyond such Party’s reasonable control (such causes, “**Force Majeure Events**”) (i) acts of God, (ii) flood, fire, or explosion, (iii) war, invasion, riot, or other civil unrest, (iv) order by a Governmental Authority or Law, (v) actions, embargoes, or blockades in effect on or after the date of this Agreement, (vi) action by any Governmental Authority, (vii) national or regional emergency, (viii) strikes, labor stoppages or slowdowns or other industrial disturbances, (ix) shortage of adequate power or transportation facilities, (x) pandemics, or (xi) any other event which is beyond the reasonable control of such Party. The Party suffering a Force Majeure Event shall give notice of suspension as soon as reasonably practicable to the other Party stating the date and extent of such suspension and the cause thereof, and Seller shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. Neither Purchaser nor Seller shall be liable for the nonperformance or delay in performance of its respective obligations under this Agreement when such failure is due to a Force Majeure Event. The applicable End Date for any Service so suspended shall be automatically extended for a period of time equal to the time lost by reason of the suspension.

ARTICLE IV CONFIDENTIALITY

Section 4.01 Confidentiality.

(a) During the term of this Agreement and thereafter, the Parties hereto shall, and shall instruct their respective Representatives to, maintain in confidence and not disclose the other Party's financial, technical, sales, marketing, development, personnel, and other information, records, or data, including, without limitation, customer lists, supplier lists, trade secrets, designs, product formulations, product specifications, or any other proprietary or confidential information, however recorded or preserved, whether written or oral (any such information, "**Confidential Information**"). Each Party hereto shall use the same degree of care, but no less than reasonable care, to protect the other Party's Confidential Information as it uses to protect its own Confidential Information of like nature. Unless otherwise authorized in any other agreement between the Parties, any Party receiving any Confidential Information of the other Party (the "**Receiving Party**") may use Confidential Information only for the purposes of fulfilling its obligations under this Agreement (the "**Permitted Purpose**"). Any Receiving Party may disclose such Confidential Information only to its Representatives who have a need to know such information for the Permitted Purpose and who have been advised of the terms of this Section 4.01, and the Receiving Party shall be liable for any breach of these confidentiality provisions by such Persons. Any Receiving Party may disclose such Confidential Information to the extent such Confidential Information is required to be disclosed by an order by a Governmental Authority, in which case the Receiving Party shall promptly notify, to the extent possible, the disclosing Party (the "**Disclosing Party**"), and take reasonable steps to assist in contesting such order by a Governmental Authority or in protecting the Disclosing Party's rights prior to disclosure, and in which case the Receiving Party shall only disclose such Confidential Information that it is advised by its counsel in writing that it is legally bound to disclose under such order by a Governmental Authority.

(b) Notwithstanding the foregoing, "Confidential Information" shall not include any information that the Receiving Party can demonstrate: (i) was publicly known at the time of disclosure to it, or has become publicly known through no act of the Receiving Party or its Representatives in breach of this Section 4.01; (ii) was rightfully received from a third party without a duty of confidentiality; or (iii) was developed by it independently without any reliance on the Confidential Information.

(c) Upon demand by the Disclosing Party at any time, or upon expiration or termination of this Agreement with respect to any Service, the Receiving Party agrees promptly to return or destroy, at the Disclosing Party's option, all Confidential Information. If such Confidential Information is destroyed, an authorized officer of the Receiving Party shall certify to such destruction in writing.

ARTICLE V LIMITATION ON LIABILITY; INDEMNIFICATION

Section 5.01 Limitation on Seller Liability. Purchaser acknowledges that the Services to be provided to it hereunder are subject to, and that its remedies under this Agreement are limited by, the applicable provisions of Section 1.02, including the limitations on representations and warranties with respect to the Services.

Section 5.02 Seller Indemnification of Purchaser. Subject to the limitations set forth in Section 5.01, Seller shall indemnify, defend, and hold harmless Purchaser and its Affiliates and each of

their respective Representatives (collectively, the “**Purchaser Indemnified Parties**”) from and against any and all Damages of the Purchaser Indemnified Parties relating to, arising out of or resulting from the gross negligence or willful misconduct of Seller or its Affiliates in connection with the performance of this Agreement, or from any failure of the Seller or its Affiliates to provide, any Services to Purchaser, provided that Seller shall not be responsible to indemnify Purchaser from any failure of the Seller or its Affiliates to provide any Services to Purchaser as a result of any employees of Seller no longer being employed by Seller, provided further that Seller has not breached this Agreement by (i) terminating its existing personnel without cause during the Assistance Period or by (ii) reducing their current compensation and benefits.

Section 5.03 Purchaser Indemnification of Seller. Purchaser shall indemnify, defend, and hold harmless Seller and its Affiliates and each of their respective Representatives (collectively, the “**Seller Indemnified Parties**”) from and against any and all third party claims for Damages relating to, arising out of, or resulting from, Seller’s performance of the Services under this Agreement, except for such claims that arise from the willful misconduct or gross negligence of Seller or its Affiliates in connection with the performance of this Agreement.

Section 5.04 Indemnification Procedures. The matters set forth in Sections 6.4, 6.5 and 6.6 of the Purchase Agreement shall be deemed incorporated into, and made a part of, this Agreement. Notwithstanding this Section 5.04, the indemnification terms set forth in Section 5.02 and Section 5.03 are separate and apart from the indemnification provisions set forth in the Purchase Agreement, and are not affected by any limitations or restrictions set forth therein.

ARTICLE VI MISCELLANEOUS

Section 6.01 Notices. All Invoices, notices and other communications given or made pursuant hereto shall be in writing will be delivered personally, mailed by registered or certified mail (postage prepaid, return receipt requested) or sent by electronic transmission (with confirmation of receipt) as follows:

If to Seller:

Bio-Energy (Washington), LLC
1110 Woodlands Road
Charlottesville, Virginia
Attn: Charles J. Packard
Email: cpackard@INGENCOHOLDINGS.COM

with copy to, but not to meet notice requirements:

The Law Offices of Robert Rauch
25141 Star View Road
Mt. Vernon, Washington 98237
Attn: Robert Rauch

Email: Bob@rjrauch.com

If to Purchaser:

King County Department of Natural Resources & Parks

Solid Waste Division Director's Office

201 S. Jackson Street, Suite 6400

Seattle, WA 98104

Attention: Christopher Stubbs, Deputy Director

Email: chstubbs@kingcounty.gov

with copy to, but not to meet notice requirements:

King County Civil Division - Prosecuting Attorney's Office

201 S. Jackson Street, Suite 6400

Seattle, WA 98104

Attention: Rich Anderson

Email: richanderson@kingcounty.gov

and

K&L Gates LLP

925 Fourth Avenue, Suite 2900

Seattle, Washington 98104

Attention: Kari Vanderstoep

Email: Kari.vanderstoep@klgates.com

Each Party shall have the right to change the place to which notices shall be sent or delivered or to specify additional addresses to which copies of notices may be sent, in either case by similar notice sent or delivered in like manner to the other Party. Without limiting any other means by which a Party may be able to prove that a notice has been received by the other Party, all notices and communications shall be deemed to have been duly given: (a) at the time delivered by hand, if personally delivered; (b) on the fourth Business Day after the day of mailing; (c) when received, if sent by electronic mail, if received prior to 5:00 p.m., recipient's time, on a Business Day, or on the next Business Day, if received later than 5:00 p.m., recipient's time, or on a day that is not a Business Day; and (d) on the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

Section 6.02 Headings. The headings in this Agreement are for reference purposes only and shall not affect the interpretation of this Agreement.

Section 6.03 Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal, or unenforceable, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 6.04 Entire Agreement. This Agreement, including the Services Exhibit, constitutes the sole and entire agreement of the Parties to this Agreement with respect to the subject matter contained herein and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event and to the extent that there is a conflict between the provisions of this Agreement and the provisions of the Purchase Agreement as it relates to the Services hereunder, the provisions of this Agreement shall control.

Section 6.05 Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit, of the Parties and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned by either Party without the prior written consent of the other Party, which consent may be withheld in the sole discretion of such Party.

Section 6.06 No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit, or remedy of any nature whatsoever, under or by reason of this Agreement.

Section 6.07 Amendment and Modification; Waiver. This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by each Party hereto. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

Section 6.08 Governing Law; Submission to Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of Washington without giving effect to any choice or conflict of law provision or rule (whether of the State of Washington or any other jurisdiction). Any legal suit, action, proceeding, or dispute arising out of or related to this Agreement or the transactions contemplated by this Agreement may be instituted in the federal court of the United States of America located in the city of Seattle, and each Party irrevocably submits to the exclusive jurisdiction of such court in any such suit, action, proceeding, or dispute.

Section 6.09 Counterparts. This Agreement may be executed in separate counterparts, by manual or electronic signature, each of which shall be deemed to be an original and all of which taken together constitute one and the same instrument and may be delivered by electronic means, which shall constitute valid and effective delivery of this Agreement.

Section 6.10 Delivery by Electronic Transmission. This Agreement and any agreement or instrument entered into in connection with this Agreement, and any amendments or waivers hereto or thereto, to the extent signed and delivered by e-mail delivery of a “.pdf” format data file, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same

binding legal effect as if it were the original signed version thereof delivered in person. Neither Party hereto or to any such agreement or instrument shall raise the use of e-mail delivery of a “.pdf” format data file to deliver a signature to this Agreement or any amendment or consent hereto or thereto or the fact that any signature or agreement or instrument was transmitted or communicated through e-mail delivery of a “.pdf” format data file as a defense to the formation of a contract and each Party waives any such defense.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

BIO-ENERGY (WASHINGTON), LLC

By: _____

Name: Charles J. Packard

Title: Chief Executive Officer

KING COUNTY

By: _____

Name: John Taylor

Title: Director, King County Department of Natural Resources
and Parks

Exhibit A (“Services Exhibit”)

General Description of Service:	Seller shall provide Purchaser with operating assistance, as requested by Purchaser, to run the Plant including: 1. Assisting Purchaser’s personnel in all aspects with operating the Plant including starting and stopping the engine generators, ordering and stocking replacement parts, supplies, and fuel and complying with any regulators or third parties in connection with operating the Plant. 2. Assisting the Purchaser’s personnel in learning how to use the Plant’s operating controls, including the SCADA system. 3. Assistance with putting the Plant in a configuration to deliver Product Gas to the PSE/Williams pipeline system. 4. Assistance with handling any Plant upsets or unscheduled shut downs that may occur. 5. Assisting the Purchaser with gas plant and engine house maintenance, provided the Purchaser has qualified personnel who will be responsible for completing the tasks. 6. Assisting Purchaser with the documentation of any operating procedures to the extent such operating procedures do not exist or amending any current operating procedures. Seller shall review and comment upon drafts of such operating procedures prepared by Purchaser, but shall not be responsible for drafting them.
Fee:	The Purchaser shall pay Seller the following weekly rates (40 hours per week) for each person that provides Services: 1. Kevin Singer: \$5,000 2. Gerran Smith: \$3,000 3. Plant Operators (eight): \$2,000 each, per 40 hour week

Exhibit E
Form of License Agreement

See attached.

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (“Agreement”) is entered into this [●] 2025 (“Execution Date”) by and between Ingenco Holdings, LLC, a Delaware limited liability company, having its principal offices at 1110 Woodlands Road, Charlottesville, Virginia 22901 (“Ingenco” or “Licensor”) and King County, Washington, a Washington municipal corporation, having its principal place of business located at 201 South Jackson Street, Suite 6400, Seattle, WA 98104 (“Licensee” or “County”). Licensor and Licensee are sometimes hereinafter collectively referred to as the “Parties,” and individually as a “Party.”

RECITALS

WHEREAS, Ingenco is the owner, by assignment from Bio-Energy (Washington), LLC, a Delaware limited liability company (“BEW”), of certain patent rights related to the purification of landfill gas into pipeline quality gas, which patent rights are set out in U.S. Patent 7,731,779 (“’779 Patent”), a copy of which is attached as Exhibit A hereto; and

WHEREAS, BEW is a fully-owned subsidiary of Ingenco; and

WHEREAS, County is purchasing from BEW the Cedar Hill landfill gas purification facility located at 16650 228th Ave., S.E., Maple Valley, Washington (“Facility”), and has requested a non-exclusive license to the ’779 Patent as necessary for operation of the Facility; and

WHEREAS, the grant of the license described herein shall become effective upon completion of the County’s purchase of the Facility pursuant to the terms of the Asset Purchase Agreement executed by BEW and the County dated [●], 2025;

NOW THEREFORE, in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are acknowledged by both Parties, the Parties hereby agree as follows:

ARTICLE 1 – DEFINITIONS

1.01 In this Agreement the following words and phrases mean:

(a) “Affiliate” means, with respect to any specified person, any other person that directly controls, is controlled by, or is under common control with, such specified person. For purposes of this Subsection 1.01(a), “Control” shall mean:

(i) in the case of corporate entities, the direct or indirect ownership of at least 50% of the stock or participating shares entitled to vote in the general meeting of shareholders, and

(ii) in the case of a partnership or other legal entity, ownership of at least 50% interest in the income or at least a 50% interest in the power to direct the management or policies of such entity.

(b) “Confidential Information” means all non-public, confidential, or proprietary information of the Discloser, whether in oral, written, electronic, or other form or media and any information that, due to the nature of its subject matter or circumstances surrounding its disclosure, would reasonably be understood to be confidential or proprietary or to the extent it is: (a) if in tangible form, marked as confidential; or (b) identified at the time of disclosure as confidential and confirmed in writing as such within seven (7) days after disclosure. Confidential Information does not include information that the Recipient can demonstrate was:

(i) possessed by the Recipient prior to receipt from the Discloser, as evidenced by the Recipient’s business records,

(ii) published or available to the general public otherwise than through a breach of this Agreement,

(iii) which is, after the Commencement Date, disclosed to the Recipient, without restriction by a third party,

(iv) independently developed by employees, agents or consultants of the Recipient who had no knowledge of or access to the Confidential Information as evidenced by the Recipient’s business records,

(v) is made subject to an order by judicial or administrative process requiring the Recipient to disclose any or all of the information; provided however that the Recipient shall promptly notify the Discloser allowing some reasonable time to oppose such process, before disclosure occurs.

(vi) is disclosed by Recipient with Discloser’s prior written approval;

(c) “Commencement Date” means the date the County completes the purchase of the Facility pursuant to the terms of the Asset Purchase Agreement between BEW and the County;

(d) “Discloser” means a Party to this Agreement or its Affiliates that provides Confidential Information to the other Party, or its Affiliates, as Recipient;

(e) “Field of Use” means the operation of the Facility;

(f) “Improvements” means any new intellectual property developed by Licensee that relates to the Licensed Patent, whether or not such Improvements, if practiced, would infringe on the patents or patent applications set out in Exhibit A to this Agreement.”

(g) “License” has the meaning set forth in Section 4.01;

(h) “Licensed Patent” means the ’779 Patent set out in Exhibit A hereto and any Licensor Improvements;

(i) “License Term” has the meaning set forth in Section 3.01;

- (j) “Litigating Party” has the meaning set out in Subsection 5.04(d);
- (k) “Patent(s)” means all issued patents and patent applications including, but not limited to, provisional, non-provisional, continuations and continuations-in-part, and divisional patent applications and registrations in any jurisdiction world-wide, and
 - (i) all continuations and continuations-in-part to any of the foregoing,
 - (ii) all divisionals, patents of addition, reissues, renewals, re-examinations and extensions to any of the foregoing, and
 - (iii) all foreign counterparts of any of the foregoing in any jurisdiction world-wide;
- (l) “Recipient” means a Party to this Agreement or its Affiliates receiving Confidential Information of the other Party or its Affiliates as Discloser;
- (m) “Representatives” has the meaning set out in Section 6.02;
- (n) “Settlement Agreement” means the Settlement Agreement and Releases executed between BEW and King County dated March 20, 2025 with respect to the outstanding litigation between BEW and King County.
- (o) “Suit” has the meaning set forth in Section 5.04;

1.02 Any words defined elsewhere in this Agreement shall have the particular meaning assigned to such words.

ARTICLE 2 – PROPERTY RIGHTS IN AND TO THE LICENSED PATENT AND IMPROVEMENTS

2.01 The Parties acknowledge and agree that the Licensor owns all rights, title and interest in the Licensed Patent, including any and all Improvements, variations and enhancements made by Licensor (“Licensor Improvements”) with respect to the Licensed Patent before and after the Commencement Date.

2.02 If Licensor files a patent application for any Improvement during the License Term, Licensor will provide written notice to Licensee within thirty (30) days after the filing date of the patent application, with a copy of the patent application and such other details of the Improvement as Licensee reasonably requires to effectively evaluate the Improvement.

2.03 Each such Improvement patent application will be deemed to be a Licensed Patent effective on Licensee’s notice.

2.04 No Grant-Backs. All right, title, and interest in any Improvement conceived, made, or reduced to practice by Licensee during the License Term of this Agreement (“Licensee Improvements”), and all of Licensee's patents and patent applications claiming any such

Improvements, will:

- (a) as between the Parties, remain the sole and exclusive property of Licensee; and
- (b) not be licensed to Licensors, unless the Parties otherwise specifically agree in writing.

ARTICLE 3 – TERM

3.01 The License conferred by this Agreement shall commence on the Commencement Date and shall continue in full force and effect until the date of expiration of the last valid claim under the Licensed Patent (the “License Term”). Licensee acknowledges that the Licensed Patent is currently set to expire on September 24, 2028.

ARTICLE 4 – GRANT OF LICENSE TO LICENSEE

4.01 In consideration for King County’s purchase of the Facility pursuant to the terms of the Settlement Agreement and the Asset Purchase Agreement between King County and BEW dated [REDACTED], Licensors hereby grants to Licensee a permanent, royalty-free, non-exclusive, sublicensable in accordance with Article 4.02 right and license under the Licensed Patent to use the patented methods claimed in the Licensed Patent for the Field of Use.

4.02 Licensee may grant sublicenses to the rights granted in this Article 4 to third parties operating the Facility on behalf of Licensee. The granting of sublicenses will be at Licensee’s sole and exclusive discretion and Licensee will have the sole and exclusive power to determine the identity of any sublicensee, subject to any such sublicensee being subject to the applicable terms of this Agreement.

4.03 Licensee acknowledges that Licensors has non-exclusive license agreements with third parties for the Licensed Patent, and Licensors retains the right to grant additional licenses to the Licensed Patent to third parties that will not limit Licensee’s rights under this Agreement without liability to Licensee.

4.04 Licensee also acknowledges and agrees that Licensors does not represent or warrant to Licensee that the Licensed Patent is sufficient to permit operation of the Facility without any potential claims of infringement by third parties. Any determination concerning the adequacy of the Licensed Patent, and all risks associated with any third-party claims of infringement, are the responsibility of Licensee.

ARTICLE 5 – PATENT PROSECUTION AND ENFORCEMENT

5.01 The Parties acknowledge and agree that the Licensors shall retain responsibility for the maintenance of the Licensed Patent and prosecution of any Licensors Improvements. If Licensors plans to abandon any patent application or patent included within the Licensed Patent, Licensors shall notify Licensee in writing at least thirty (30) days in advance of the due date of any payment or other action that is required to prosecute and maintain such Licensed Patent. Following such notice, Licensee will have the right, in its sole discretion, to assume control and direction of the prosecution and maintenance of such Licensed Patent at its sole cost and expense in such country,

and Licensor shall, at Licensee's request, assign to Licensee such patent application or patent. Effective as of the effective date of any such assignment under this Section 5.01, such patent application or patent shall no longer be a Licensed Patent.

5.02 If either Party becomes aware of (a) any suspected infringement of any Licensed Patent by a third party, or (b) any claim that any Licensed Patent is invalid or unenforceable, such Party shall promptly notify the other Party and provide it with all details of such infringement or claim, as applicable, that are known by such Party.

5.03 In the event of an alleged infringement by a third party of the Licensed Patent, the Licensee shall have the right, but not the obligation, to prosecute and control litigation designed to enforce its rights in and to the Licensed Patent and enjoin such infringers of the Licensed Patent on written notice to the Licensor. The Licensor agrees to co-operate in any such litigation to the extent of executing all necessary documents to vest in the Licensee the right to institute any such suits, so long as all costs and expenses of bringing and conducting any such litigation or settlement shall be borne by the Licensee, and in such event recoveries shall inure to the Licensee.

5.04 In the event any complaint is made against Licensee by a third party alleging infringement or violation of any patent or other proprietary rights with respect to the Licensed Patent, or in the event of a third party alleging the invalidity of the Licensed Patent (in either case, a "Suit"), the following procedure shall be followed:

(a) the Licensee shall promptly notify the Licensor upon receipt of any such complaint and shall keep the Licensor fully informed of the actions and positions taken by the complainant and taken, or proposed to be taken, by the Licensee;

(b) the Licensee, in its sole discretion, shall have the first right, but not the obligation, to defend against any such Suit;

(c) if the Licensee does not take steps to defend against the Suit within ninety (90) days after the date that notice thereof was received from or delivered to the Licensor, (or such shorter period as may be required to protect the rights of the Licensor) the Licensor may take such legally permissible action as it deems necessary or appropriate to defend against the Suit, but shall not be obligated to do so;

(d) the Party defending against a Suit (in this section, the "Litigating Party") shall have the right to control such litigation and shall bear all costs and expenses incurred in investigating, resisting, litigating and settling such Suit (including court costs and legal fees and any award of damages and/or costs to any third party). Before any action is taken by either Party which could abridge the rights of the other Party hereunder, the Parties agree, in good faith, to consult with each other with the goal of adopting a mutually satisfactory position;

(e) the Litigating Party shall keep the other Party fully informed of the actions and positions taken, or proposed to be taken, by the Litigating Party and the actions and positions taken by all other parties to such litigation;

(f) notwithstanding the foregoing, in the event that the Licensee defends against the

Suit, the Licensor may elect to participate formally in any litigation involving the Suit, to the extent that the court may permit, but any additional expenses generated by such formal participation shall be borne entirely by the Licensor (subject to the possibility of recovery of some or all of such additional expenses from the complainant);

(g) notwithstanding the foregoing, if the complainant is willing to accept an offer of settlement and one of the Parties to this Agreement is willing to make or accept such offer and the other(s) is not, then the unwilling Party shall conduct all further proceedings at its own expense, and shall be responsible for the full amount of any damages, costs, accounting of profits and settlement costs in excess of those provided in such offer, but shall be entitled to retain unto itself the benefit of any litigated or settled result entailing a lower payment of costs, damages, accounting of profits and settlement costs than that provided in such offer.

ARTICLE 6 – PUBLICATION AND CONFIDENTIALITY

6.01 The Discloser's Confidential Information provided pursuant to this Agreement shall be used by the Recipient solely in furtherance of the purposes set forth in this Agreement and subject to the terms and conditions set forth in this Article 6.

6.02 Each Party, as Recipient, acknowledges and agrees that it will keep all of the Discloser's Confidential Information in confidence on the terms and conditions set out in this Article 6 during the License Term and thereafter for a period of five (5) years. Each Party, as Recipient, acknowledges and agrees that it will not, without the Discloser's prior written consent, disclose or communicate or cause to be disclosed or communicated any of the Discloser's Confidential Information to any person or entity, except the Recipient's officers, employees, consultants, professional advisors, and agents, (collectively, "Representatives"), who require said Confidential Information in performing their obligations under this Agreement unless and until such Representatives, sub-licensees, and/or customers have signed a confidentiality agreement with Recipient protecting such Confidential Information. The Discloser shall be entitled to receive copies of all such agreements upon request.

6.03 The Recipient covenants and agrees that it will limit the internal distribution of the Discloser's Confidential Information and that it will enter into the appropriate confidentiality agreements with any and all persons who may have access to the Discloser's Confidential Information.

ARTICLE 7 – WARRANTY

7.01 Except as expressly set out in this Agreement, the Licensor makes no representations or warranties, either express or implied, with respect to the suitability of the Licensed Patent for the continued operation of the Facility, and specifically disclaims any implied warranty of merchantability or fitness for a particular purpose. The Licensor shall in no event be liable for any loss of profits or revenues by Licensee, be they direct, consequential, incidental, or special or other similar, or like damages arising from any defect, error or failure to perform with respect to the Licensed Patent, even if the Licensor has been advised of the possibility of such damages.

7.02 The Licensor represents and warrants that the Licensed Patent is the entirety of the

Patents, Patent applications, and other intellectual property, including trade secrets and know-how, owned by Licensors related to operation of the Facility.

7.03 The Licensors represent and warrant that, as of the date of execution of this Agreement, in respect of the Licensed Patent identified in Exhibit A, such Patent has been duly assigned to the Licensors and that Licensors are the sole and exclusive owners of the entire right, title, and interest in and to the Licensed Patent, and no claims have been filed and served on the Licensors or BEW, or threatened in writing, in respect thereof.

7.04 Licensors represent and warrant that it has, and throughout the License Term will retain, the right to grant the license granted to Licensee hereunder, and it has not granted, and is not under any obligation to grant, to any third party any license, lien, option, encumbrance, or other contingent or non-contingent right, title, or interest in or to the Licensed Patent that conflicts with the rights and licenses granted to Licensee hereunder;

7.05 The Licensors also represent and warrant that, as of the Execution Date of this Agreement, no claims of infringement have been made against the Licensors or, BEW, to the best of the Licensors' knowledge and belief, after reasonable inquiry. The Licensors also represent and warrant that, as of the Execution Date of this Agreement, the Licensed Patent is current, and that there are no outstanding charges, encumbrances, or liens against such Licensed Patent.

7.06 Except as expressly set out in this Agreement, nothing in this Agreement shall be construed as an obligation by the Licensors to bring or prosecute actions or suits against third parties for infringement of the Licensed Patent.

ARTICLE 8 – INDEMNITY

8.01 Each party shall indemnify, defend, and hold harmless the other party and its officers, directors, employees, agents, successors, and assigns (each, an "Indemnitee") against all losses arising out of or resulting from any third-party claim, suit, action, or proceeding (each an "Action") related to, arising out of, or resulting from the other party's ("Indemnitor" 's) breach of any representation, warranty, covenant, or obligation under this Agreement.

8.02 An Indemnitee shall promptly notify the Indemnitor in writing of any Action and cooperate with Indemnitor at Indemnitor's sole cost and expense. Indemnitor shall immediately take control of the defense and investigation of the Action and shall employ counsel of its choice to handle and defend the same, at Indemnitor's sole cost and expense. Indemnitor shall not settle any Action in a manner that adversely affects the rights of any Indemnitee without the Indemnitee's prior written consent, which consent may not be unreasonably withheld or delayed. The Indemnitee's failure to perform any obligations under this Article shall not relieve Indemnitor of its obligation under this Article except to the extent Indemnitor can demonstrate that it has been materially prejudiced as a result of the failure. The Indemnitee may participate in and observe the proceedings at its own cost and expense with counsel of its own choosing.

ARTICLE 9 – ASSIGNMENT RIGHTS

9.01 The Licensee may assign or transfer this Agreement to a third party that purchases

the Facility from the Licensee, provided that such third party assumes all of the rights, obligations and covenants of the Licensee set forth in this Agreement. Upon the third party assuming, in writing, the terms and conditions herein, and Licensor being reasonably satisfied with the ability of the third party to perform Licensee's obligations hereunder, the Licensor will release, remise and forever discharge the Licensee from any and all obligations or covenants hereunder.

9.02 The Licensor shall have the right to assign its rights, duties and obligations under this Agreement to a company of which it is the sole shareholder, or of which it controls the membership, provided that the ownership of the Patent rights is concurrently transferred to such company, and that such transfer has been documented to Licensee's reasonable satisfaction. In the event of any such assignment, the Licensee shall release, remise and forever discharge the Licensor from any and all obligations and covenants hereunder, provided that such company shall have first executed a written agreement with the Licensee under which the company assumes all of the Licensor's rights, obligations and covenants set forth in this Agreement and the Licensee retains all rights granted to it under this Agreement.

ARTICLE 10 – GOVERNING LAW AND DISPUTE RESOLUTION

10.01 This Agreement shall be governed by, and construed in accordance with, the laws of the State of Washington.

10.02 In the event of any dispute arising between the Parties concerning this Agreement, its enforceability, or the interpretation thereof, the same shall be settled by litigation brought in the U.S. District Court for the Western District of Washington, and both Parties consent to the jurisdiction and venue of such Court.

ARTICLE 11 – NON-WAIVER

11.01 No condoning, excusing or overlooking by either Party of any default, breach or non-observance by the other Party at any time or times in respect of any covenants, provisos or conditions of this Agreement shall operate as a waiver of such Party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-observance, so as to defeat in any way the rights of such Party in respect of any such continuing or subsequent default or breach and no waiver shall be inferred from or implied by anything done or omitted by such Party, save only an express waiver in writing.

11.02 No exercise of a specific right or remedy by either Party shall preclude such Party from, or prejudice such Party from exercising another right, or pursuing another remedy, or maintaining an action to which it may otherwise be entitled either at law or in equity.

ARTICLE 12 – NOTICES

12.01 All reports and notices or other documents that either Party hereto is required, or may desire, to deliver to the other Party hereto may be delivered only by personal delivery, or by registered or certified mail all postage and other charges prepaid, at the address for such Party set forth on the first page of this Agreement or at such other address as such Party may hereinafter designate in writing to the other Party. Any notice personally delivered shall be deemed to have

been given or received at the time of delivery. Any notice mailed as aforesaid shall be deemed to have been received upon the expiration of five (5) days after it is posted, provided that if there shall be at the time of mailing or between the time of mailing and the actual receipt of the notice a mail strike, slow down or labor dispute which might affect the delivery of the notice by the mails, then the notice shall only be effective if actually received.

ARTICLE 13 – GENERAL

13.01 This Agreement sets forth the entire understanding between the Parties relating to the subject matter hereof, and supersedes all previous writings and understandings, and no modifications hereof shall be binding unless executed in writing by the Parties hereto.

13.02 Time shall be of the essence in the performance of the respective obligations of the Parties to this Agreement.

13.03 Bankruptcy. All rights and licenses granted by Licensor under this Agreement are and will be deemed to be rights and licenses to “intellectual property” as such term is used in, and interpreted under, Section 365(n) of the United States Bankruptcy Code (the “Bankruptcy Code”) (11 U.S.C. § 365(n)). Licensee has all rights, elections, and protections under the Bankruptcy Code and all other bankruptcy, insolvency, and similar laws with respect to the Agreement, and the subject matter hereof. Without limiting the generality of the foregoing, Licensor acknowledges and agrees that, if Licensor or its estate shall become subject to any bankruptcy or similar proceeding:

(a) subject to Licensee's rights of election under Section 365(n), all rights, licenses, and privileges granted to Licensee under this Agreement will continue subject to the respective terms and conditions hereof, and will not be affected, even by Licensor's rejection of this Agreement; and

13.04 The Parties represent and warrant to each other that (i) the execution, delivery and performance of this Agreement have been duly approved by all required company, or official action; (ii) no approvals of any third party are required for the execution and delivery of this Agreement; (iii) the provisions of this Agreement do not conflict with any other agreements signed by such Party; and (iv) the individual signing this Agreement on behalf of such Party has full authority to do so.

13.05 This Agreement may be executed in any number of counterparts (either originally or by facsimile), each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Executed counterparts transmitted by facsimile or electronic means shall be binding on the Parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the dates set forth below.

King County, Washington

Name: _____

Title: _____

Date: _____

Ingenco Holdings, LLC

Name: Charles Packard

Title: Chief Executive Officer

Date: _____

EXHIBIT A: THE LICENSED PATENT

United States Patent 7,731,779, a copy of which attached hereto.

(12) **United States Patent**
Palumbo

(10) **Patent No.:** **US 7,731,779 B2**
(45) **Date of Patent:** **Jun. 8, 2010**

(54) **METHOD FOR PROCESSING LANDFILL AND OTHER STRANDED GAS CONTAINING COMMERCIAL QUANTITIES OF METHANE AND CONTAMINATED BY CARBON DIOXIDE, NITROGEN AND OXYGEN INTO A PIPELINE OR VEHICLE QUALITY NATURAL GAS PRODUCT**

(76) Inventor: **David J. Palumbo**, 2250 Dabney Rd.,
Richmond, VA (US) 23230

(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 698 days.

(21) Appl. No.: **11/553,931**

(22) Filed: **Oct. 27, 2006**

(65) **Prior Publication Data**

US 2007/0095205 A1 May 3, 2007

Related U.S. Application Data

(60) Provisional application No. 60/731,636, filed on Oct. 28, 2005.

(51) **Int. Cl.**
B01D 53/02 (2006.01)

(52) **U.S. Cl.** **95/52; 95/96; 95/143; 96/135;**
96/136; 96/143

(58) **Field of Classification Search** 95/51,
95/52, 95, 96, 143; 96/134, 135, 136, 143
See application file for complete search history.

(56) **References Cited**

U.S. PATENT DOCUMENTS

6,071,326 A * 6/2000 Hall 95/41

2006/0248921 A1 * 11/2006 Hosford et al. 62/611

* cited by examiner

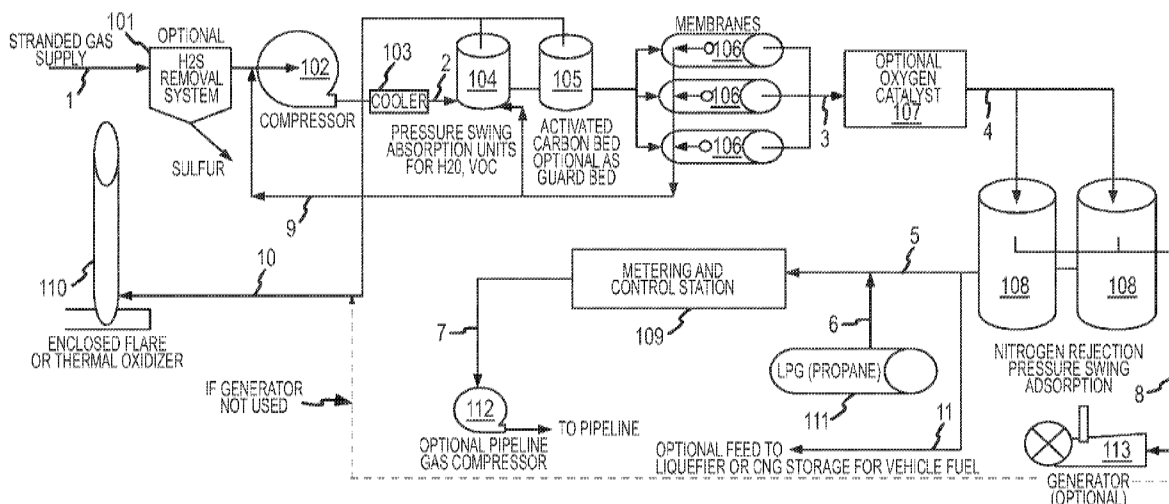
Primary Examiner—Robert A Hopkins

(74) *Attorney, Agent, or Firm*—Gibson, Dunn & Crutcher LLP

(57) **ABSTRACT**

Stranded natural gas, when contaminated by difficult to remove constituents such as Nitrogen and Oxygen, has long been considered uneconomical to process into pipeline quality gas and is abandoned or utilized in other energy applications where economically viable. Landfill Gas (LFG) is often considered a stranded gas although in many instances it is available at reasonable distances to natural gas pipelines, and has only rarely been processed for injection into natural gas pipelines. Other stranded contaminated gases, such as gases vented from remote oil wells or coal beds where access to transportation pipelines is not feasible are also candidates for collection. In many instances, billions of cubic feet of methane rich LFG has been vented or flared into the atmosphere. The present invention utilizes a variety of components and provides a product gas that will meet all known pipeline requirements and/or vehicle fuel specifications without the need for blending with pipeline gas and without using cryogenic separation techniques or partial cryogenic processes. The invention also provides a product gas suitable for further processing into Liquefied Natural Gas.

6 Claims, 3 Drawing Sheets



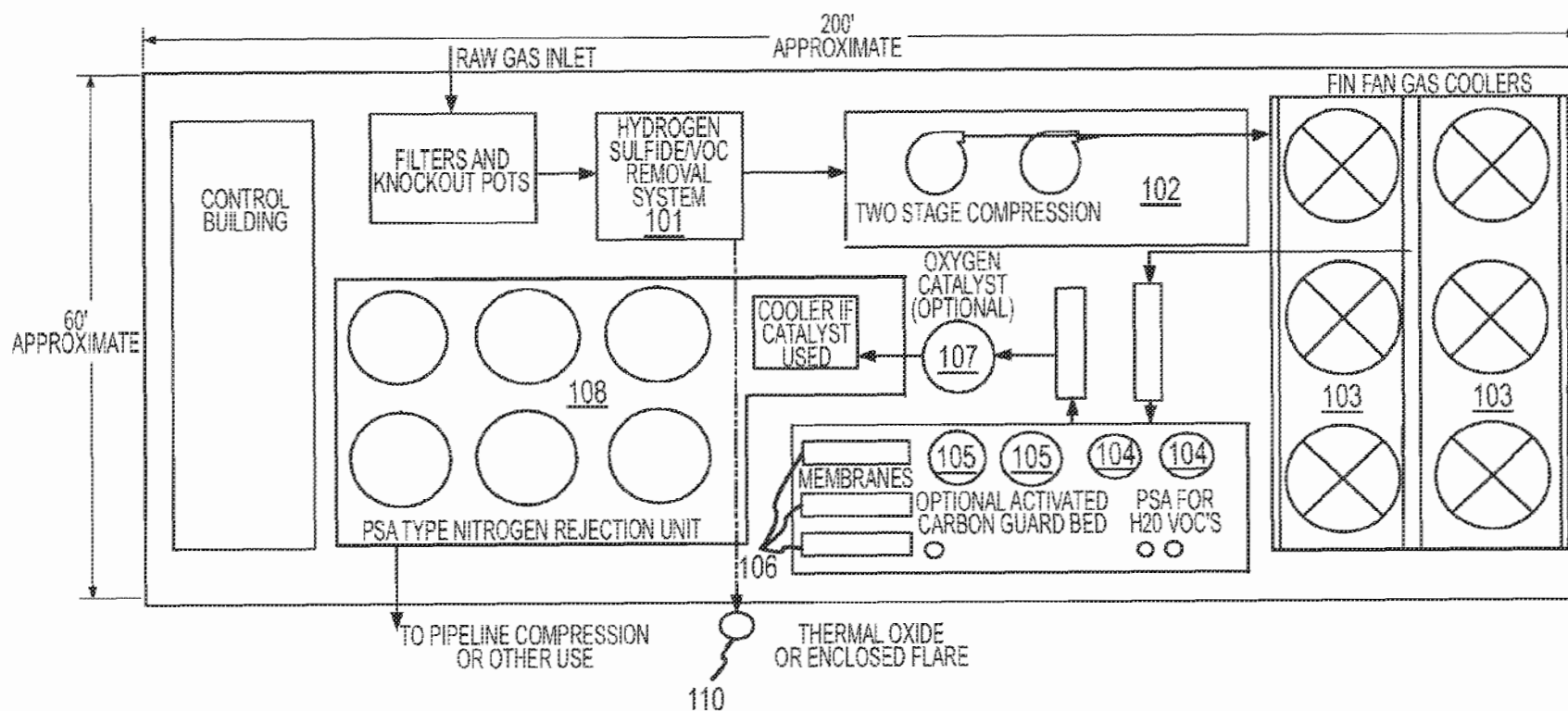


FIG.1

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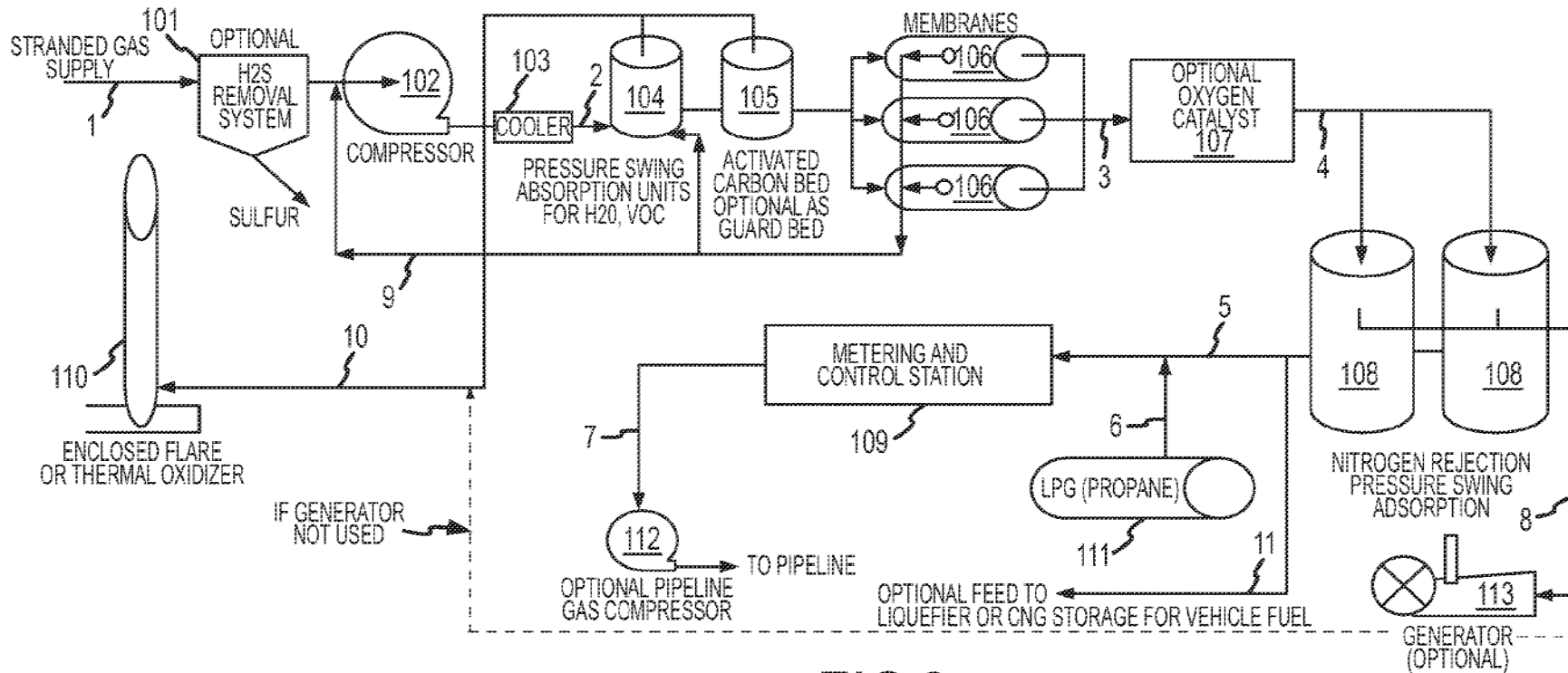


FIG.2

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TYPICAL LFG PROCESS STREAM DATA - % VOL

COMPONENT	1	2	3	4	5/11	6	7	8	9	10
	RAW GAS	FEED TO PSA	MEM PRODUCT	FEED TO N2 PSA	PRODUCT GAS	LPG INJECTION	PIPELINE GAS	TAIL GAS	RECYCLE GAS	PERMEATE
CH4	47.0%	43.0%	83.2%	82.6%	97.6%	-	96.7%	34.5%	29.2%	9.3%
CO2	45.0%	49.0%	5.0%	5.7%	TRACE	-	TRACE	23.2%	63.3%	87.5%
N2	6.4%	5.6%	10.6%	10.6%	2.4%	-	2.3%	36.7%	4.2%	1.2%
O2	1.5%	1.9%	1.2%	5 ppm	TRACE	-	TRACE	TRACE	3.2%	1.8%
H2O	0.1%	0.08%	0.0%	1.2%	0.0%	-	TRACE	5.1%	0.0%	0.2%
H2S	110 ppm	8 ppm	1 ppm	1 ppm	TRACE	-	TRACE	1 ppm	4.6 ppm	4.3 ppm
VOC	40 ppm	32 ppm	0 ppm	0 ppm	0 ppm	-	0 ppm	0 ppm	0 ppm	86 ppm
C3H8	0%	0%	0%	0%	0%	100%	1.0%	0%	0%	0%
PRESSURE	ATMOS.	200 psig	190 psig	180 psig	170 psig	170 psig	165 psig	5 psig	1 psig	1 psig
BTU/CF	475	434	840	834	985	2517	1000	348	295	94
FLOW	100	130	51	51	40	0.4	41	12.5	30	48

FIG.3

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**METHOD FOR PROCESSING LANDFILL
AND OTHER STRANDED GAS CONTAINING
COMMERCIAL QUANTITIES OF METHANE
AND CONTAMINATED BY CARBON
DIOXIDE, NITROGEN AND OXYGEN INTO A
PIPELINE OR VEHICLE QUALITY NATURAL
GAS PRODUCT**

**CROSS REFERENCE TO RELATED
APPLICATION**

The present patent application is related to and claims the benefit of priority from U.S. Provisional Patent Application No. 60/731,636, filed on Oct. 28, 2005, which is hereby incorporated by reference in its entirety.

BACKGROUND OF THE INVENTION

This invention relates to the modular processing of stranded gases with methane components into a natural gas stream suitable for injection into pipelines in the United States and elsewhere without the need for blending with additional pipeline gas or utilizing cryogenic techniques.

In the last two decades nine projects were designed and constructed to process LFG and insert the product gas into natural gas pipelines. Many of these projects failed to provide a continuous acceptable product gas. Some, such as the Dominion Airtech project at the Alliance Landfill near Scranton, Pa., relied on controlling air intrusion at the landfill. None of the projects were able to address conditions where significant nitrogen or oxygen was present in the gas.

Many stranded gas assets exist in the United States. Landfills are a prime example of stranded gas as it is of relatively low quality and flow rate. Many oil wells concurrently produce natural gas with considerable concentrations of contaminants and the gas is very often flared at the site. Industry and government evaluations suggest that at least 25% of the United States natural gas supply contains unacceptable levels of contaminants such as nitrogen, hydrogen sulfide, or other compounds. Carbon dioxide is also a common contaminant and there are several commercial processes that can adequately separate this from methane, the most common of which is amine wash.

LFG, as produced by the anaerobic digestion of municipal organic wastes, is nominally a 55/45 mixture of methane and carbon dioxide, with trace contaminants of siloxane compounds, hydrogen sulfide and a number of volatile organic compounds (VOC's). The LFG collection is aided by the operation of blowers that create a negative pressure in the landfill. This negative pressure causes air infiltration into the LFG stream, especially at the periphery of the landfill where gas wells exist primarily to reduce the migration of LFG (and its corresponding odors) to nearby properties. This air infiltration introduces nitrogen and oxygen into the LFG. This contaminated gas stream has yet to be processed successfully. In the United States, the only commercially successful projects to process LFG rely either on utilizing only select wells in the landfill where the air content is very low, or blending of a lightly processed LFG stream with large quantities of pipeline gas, sometimes as high as twenty five parts of pipeline gas to one part LFG.

In some instances, LFG has been processed and accepted into pipelines at qualities less than normally required. Unless flows in the pipeline accepting lower quality processed gas render its contaminant contribution insignificant, this lower quality gas can cause difficulties for natural gas end users. Improper or less than optimal treatment of the stranded gas

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may result in a carryover of landfill gas contaminants into the pipeline and eventually into businesses or residences. Complete treatment of landfill and other non-standard gases will provide additional indigenous and sometimes renewable resources for the well-developed natural gas distribution systems in the United States. Landfill sites also have a major advantage in that they are often located near larger metropolises and corresponding high gas usage areas. Recovery of the uncontaminated methane for use in normal natural gas markets will result in a more efficient use of the energy content than the more usual use of LFG for electrical generation, and its attendant energy conversion losses.

The inventor is unaware of any systems in operation processing landfill or other stranded gases that remove substantially all contaminants, including hydrogen sulfide, non-methane organic compounds (NMOC's), carbon dioxide and air components (nitrogen and oxygen) without some form of cryogenic separation or partial cryogenic processing. Cryogenic processes are very capital intensive and use significant amounts of energy during production. They are not economic options for modest or smaller gas flows as normally encountered at landfills and other stranded gas production sites. Other types of systems employed on LFG projects including high pressure membranes, solvent based partial cryogenic systems such as Selexol® or Kryosol®, or most pressure (or temperature) swing absorption systems are not suitable for gas streams with air components and in most cases rely on significantly higher pressure requirements.

SUMMARY OF THE INVENTION

The various modular components described herein will be sized to treat each specific stranded raw gas stream. In some cases, where pipeline specifications allow, a particular part of the process may be omitted. For example, if the incoming gas stream has a concentration of 1% oxygen and the pipeline specification allows only 0.02% by volume of oxygen, the process will utilize an oxygen catalyst to remove nearly all oxygen. If the pipeline specification allowed 0.2% oxygen, an O2 catalyst is not necessary.

The present invention eliminates the need for cryogenic separation of contaminated stranded gas resources with commercially recoverable amounts of methane contents and utilizes processes requiring pressures lower than any processes now in service on LFG. The process takes methane laden gas streams contaminated with CO2, nitrogen and oxygen and other elements or compounds, and provides a clean methane rich product suitable for injection into an interstate or local distribution pipeline without the need for blending with the pipeline gas and without requiring cryogenic separation.

The process according to the present invention utilizes modular components. The process involves delivering raw gas under pressure to the components. In a preferred embodiment, the process removes nearly all contaminants including hydrogen sulfide, non-methane organic compounds (NMOC's), volatile organic compounds (VOC's), carbon dioxide, nitrogen, oxygen, and water vapor, resulting in a product gas containing a minimum content of methane to allow insertion into most interstate pipeline or local distribution natural gas systems. Economical recovery is dependent on the quantity of methane recovered.

BRIEF DESCRIPTION OF THE DRAWINGS

FIG. 1 is an arrangement of the various selective treatment modules that either change the characteristics of the gas or

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modify the components in the gas. The figure depicts their relative physical size and location in the process areas in a preferred embodiment.

FIG. 2 is a process flow schematic of each component and its location in the processing stream, each part of the process flow having a reference stream number.

FIG. 3 is a tabulation of the approximate predicted gas flows and compositions for each stream in an exemplary embodiment of the invention.

DETAILED DESCRIPTION

The below components are referred to with the reference numbers as indicated:

- 101 Sulfur Removal
- 102 LFG Compressors
- 103 LFG Coolers
- 104 Pressure Swing Adsp
- 105 Activated Carbon Beds
- 106 Membranes
- 107 Oxygen Catalyst
- 108 PSA Nitrogen Rejection
- 109 Metering Station
- 110 Thermal Oxidizer
- 111 Propane Injection
- 112 Pipeline Gas Compressor
- 113 Electric Generator

FIG. 1 shows the relative size and arrangement of the components in a preferred embodiment.

FIG. 2 shows the supply of the raw gas to the inlet of a system according to the present invention. Stream 1 is the initial raw gas, and it flows through a hydrogen sulfide removal system (101). This system could be an iron sponge type or a proprietary system like the Lo-Cat™ as manufactured by Gas Technology Products LLC. Hydrogen sulfide is reduced from concentrations of up to 2000 parts per million to less than 8 parts per million. After leaving the Lo-Cat unit, the gas is compressed in compressors (102) and is cooled in fin-fan or similar coolers (103) and becomes gas Stream 2. Stream 2 then enters pressure swing adsorbent (PSA) vessels (104) for removal of water and nearly all non methane organic compounds (NMOC's) and volatile organic compounds (VOC's) utilizing adsorbents specifically selected for this purpose. When regenerated, the PSA's utilize either ambient air or the CO2 rich permeate stream described below and this gas stream 10 containing the collected VOC's and NMOC's is sent to an enclosed flare or thermal oxidizer (110) for combustion in accordance with EPA standards. The gas stream 2 enters non-regenerative activated carbon beds (105) if high concentrations of siloxanes are present in the raw gas, as a final step to reduce NMOC's including siloxanes and VOC's to nearly undetectable levels. Leaving the PSA's and carbon beds, stream 2 is dry compressed gas consisting of CH₄, N₂, O₂, and CO₂ and is directed to the process membranes (106). These membranes selectively remove most of the carbon dioxide and some oxygen, while passing the bulk of the methane and nitrogen. The membranes may be a single or dual stage depending on economics of methane recovery. The reject stream of gas, called permeate, is rich in carbon dioxide and of very low pressure, and is either recycled back to the inlet of the compressors (102) or used as the regenerative gas for the PSA's described above and then sent to the thermal oxidizer or enclosed flare as stream 10. If the raw gas contains concentrations of oxygen higher than 2%, and the receiving pipeline has requires less than 10% of that amount, then the product gas from the membranes, stream 3, is directed to an oxygen catalyst bed (107). This catalyst bed, an example of

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which is a unit manufactured by BCCK Inc, reduces entrained oxygen to less than 10 parts per million. Oxygen reduction in the catalyst results in the formation of water vapor and CO₂. This gas (stream 4) is then directed to another set of PSA's with adsorbents selective in the separation of methane and nitrogen (108). An example of this technology is the Molecular Gate™ provided by BASF. This PSA removes nearly all of the remaining carbon dioxide, all of the water vapor that may have been produced in the O₂ catalyst, and approximately 75% of both nitrogen and oxygen entrained in gas stream 4. The product gas, stream 5, is suitable for injection into pipelines with a minimum heat content requirement of 965 BTU per cubic foot. The gas in stream 5 is pure enough to also be a feedstock for Liquefied Natural Gas production (the stream is denoted as stream 11 if it is used as an optional feed to a liquefier or compressed natural gas storage). Should the receiving pipeline require greater than 965 BTU per cubic foot heat content of the product gas (or other predetermined threshold), Liquefied Petroleum Gas (LPG) from a source (111) can then be injected as stream 6 into the product stream, with a final gas stream 7 having a heat content of 1,000 BTU per cubic foot. A modular metering and control station (109) measures the quantity of gas flowing and determines the amount of LPG required. The product gas is then compressed to the required pipeline requirements by a compressor (112) and delivered for final receipt by the receiving pipeline.

The PSA's used for nitrogen rejection (108) are regenerated by pulling a vacuum on the adsorbent beds. This gas, stream 8, contains approximately 35% methane and may be either flared in the thermal oxidizer (110) or utilized such as in on-site generation units (113), usually reciprocating engines to assist in powering the process equipment.

The table depicted in FIG. 3 is a predicted typical application for a landfill gas stream containing approximately 47% methane along with some carbon dioxide, nitrogen, oxygen, water vapor and hydrogen sulfide. The table depicts the approximate concentrations of each component of the gas stream, with a stream number correlating to this description, at each relevant point in the process and eventually showing the sales gas, whether it be for pipeline gas or feedstock for LNG or vehicle fuel. The table assumes an inlet gas amount of 100 as the basis, this could be 100 standard cubic feet, 100 cubic meters, etc. and the volumetric concentrations of each component as a percentage of that gas stream point.

What is claimed is:

1. A method of processing stranded gas containing methane comprising the steps of:
 - removing hydrogen sulfide from the gas;
 - compressing the gas;
 - cooling the gas;
 - removing water, non methane organic compounds, and volatile organic compounds using one or more pressure swing adsorption units;
 - removing carbon dioxide and oxygen using process membranes; and
 - removing nitrogen and oxygen using one or more pressure swing adsorption units;
 wherein the step of removing carbon dioxide and oxygen using process membranes produces permeate which is then used in the step of recycling the gas to improve methane recovery.
2. The method of claim 1 wherein the step of removing water, non methane organic compounds, and volatile organic compounds uses activated carbon beds.
3. The method of claim 1 wherein the processing does not use cryogenic components.

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4. A method of processing stranded gas containing methane comprising the steps of:
removing hydrogen sulfide from the gas;
compressing the gas;
cooling the gas;
removing water, non methane organic compounds, and volatile organic compounds using one or more pressure swing adsorption units;
removing carbon dioxide and oxygen using process membranes; and
removing nitrogen and oxygen using one or more pressure swing adsorption units;

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wherein the step of removing carbon dioxide and oxygen using process membranes produces permeate which is then used in the step of removing water, non methane organic compounds, and volatile organic compounds using one or more of pressure swing adsorption units.
5 5. The method of claim 4 wherein the step of removing water, non methane organic compounds, and volatile organic compounds uses activated carbon beds.
10 6. The method of claim 4 wherein the processing does not use cryogenic components.

* * * * *

Schedule 2.1(b)
Personal Property

The personal property included in the sale consists of the following items located on the Plant Site:

1. All those items of personal property included in the chronological, Master Asset List dated May, 2025, attached as *Exhibit 1* to this Schedule. To the extent the Master Asset List contains duplicate, or functionally equivalent, pieces of equipment or other items of personal property that were purchased after construction of the Plant was completed in 2009, the most recent purchases of such items shall be included as personal property, and the earlier, comparable items that have been removed from the Plant Site shall not be included. General entries on the Master Asset List, such as “site development,” “direct overhead,” and “allocated overhead” that do not reference personal property are excluded.
2. Equipment that is affixed to the property leased by Seller from the County is considered to be a “trade fixture” under Washington law, and such equipment shall be deemed to be “personal property” for purposes of this Schedule, and for all other purposes, given that it is attached to leased property, per Wash. Admin. Code § 458-12-005 and RCW 84.04.080. These “trade fixtures” are those pieces of equipment identified on, or falling within the area depicted on, the Plant Operations schematic, attached as *Exhibit 2* to this Schedule. To the extent any of the equipment shown on *Exhibit 2* duplicates that contained in the Master Asset List attached as *Exhibit 1*, only the most recently acquired items of equipment that remain on the Plant Site shall be included in this Schedule.
3. Plant operating manuals and instructions located on the Plant Site, including those from Guild Associates, Air Liquide, and other major Plant equipment suppliers. Also included are the Seller’s Plant operations manuals, gas testing manuals, standard operating procedures (“SOP’s”) and other written instructions covering Plant operations.
4. The spare parts listed on *Exhibit 3* to this Schedule that are stored in the Conex containers located on the Plant Site.
5. Office and computer equipment (desks, chair, bookcases, etc.), including computer equipment used for Plant operations and monitoring to the extent not captured in *Exhibits 1 and 2*.

Exhibit 1 to Schedule 2.1(b)
Master Asset List

See attached.

BEW Asset Listing - May 2025								
Sys No	Status	Co Asset No	Description	Acquisition Date	Vendor/Mfg	Mfg Serial No	Cost	Acc Depr Acquisition Date
1	Active	1	Veh #1 2006 Chevrolet Silverado	09/15/2008	Speedway Chevrolet	1GCEC19V26Z271194	12993.08	12993.08 09/15/2008
2	Active	2	Forklift - 1999 Hyster S80XL	10/03/2008	Lift Link	D004D06621W	12450.00	12450 10/03/2008
3	Active	3	Calibrator	06/01/2009	Instrument & Valve Serv	11064030	4315.95	4315.95 06/01/2009
4	Active	4	Trailer Bio Energy	10/28/2009	William Scotsman		11913.42	11913.42 10/28/2009
5	Active	5	Software License SOFTCRPT01100 Green Hills	11/18/2009	Woodward Governor (Mototr	8471.80.1000	2378.67	2378.67 11/18/2009
6	Active	6	Building	10/01/2009			1464294.13	581963 10/01/2009
7	Active	7	Fuel Storage & Handling - Cedarhills	10/01/2009			125016.28	125016.28 10/01/2009
8	Active	8	Interconnection - Cedarhills	10/01/2009			955905.11	955905.11 10/01/2009
9	Active	9	LFG / Pipeline - Cedarhills	10/01/2009			804230.47	804230.47 10/01/2009
10	Active	10	Site Auxiliaries - Cedarhills	10/01/2009			3078.65	3078.65 10/01/2009
11	Active	11	Water System Installation - Cedarhills	10/01/2009			20822.45	20822.45 10/01/2009
12	Active	12	EPC Building - Cedarhills	10/01/2009			6562401.24	6562401.24 10/01/2009
14	Active	14	Interconnection Gas - Cedarhills	10/01/2009			3159425.08	3159425.08 10/01/2009
15	Active	15	Site Development - Cedarhills	10/01/2009			182526.08	182526.08 10/01/2009
16	Active	16	Allocated Overhead - Cedarhills	10/01/2009			1640440.68	1640440.68 10/01/2009
17	Active	17	Cable Trays / Ladders - Cedarhills	10/01/2009			5511.02	5511.02 10/01/2009
18	Active	18	Cooling Skid - Cedarhills	10/01/2009			73046.62	73046.62 10/01/2009
19	Active	19	Cooling Towers - Cedarhills	10/01/2009			45526.22	45526.22 10/01/2009
20	Active	20	Direct Overhead - Cedarhills	10/01/2009			2377349.4	2377349.4 10/01/2009
21	Active	21	Engine Skid - Cedarhills	10/01/2009			116624.83	116624.83 10/01/2009
22	Active	22	Equipment Installation - Cedarhills	10/01/2009			1087333.29	1087333.29 10/01/2009
23	Active	23	Exhaust / Ventillation / Intake Materials - Cedarhills	10/01/2009			361215.57	361215.57 10/01/2009
24	Active	24	Fuel and Lube Oil Skids - Cedarhills	10/01/2009			15520.74	15520.74 10/01/2009
25	Active	25	Engine 06R0299801 - Cedarhills	10/01/2009		06R0299801	23430.40	23430.40 10/01/2009
26	Active	26	Engine 06R0257991 - Cedarhills	10/01/2009		06R0257991	23430.32	23430.32 10/01/2009
27	Active	27	Engine 06R0345868 - Cedarhills	10/01/2009		06R0345868	23430.32	23430.32 10/01/2009
28	Active	28	Engine 06R0266454 - Cedarhills	10/01/2009		06R0266454	23430.32	23430.32 10/01/2009
29	Active	29	Engine 06R0413769 - Cedarhills	10/01/2009		06R0413769	23430.32	23430.32 10/01/2009
30	Active	30	Engine 06R0296598 - Cedarhills	10/01/2009		06R0296598	23430.32	23430.32 10/01/2009
31	Active	31	Engine 06R0235158 - Cedarhills	10/01/2009		06R0235158	23430.32	23430.32 10/01/2009
32	Active	32	Engine 06R0235152 - Cedarhills	10/01/2009		06R0235152	23430.32	23430.32 10/01/2009
33	Active	33	Engine 060376808 - Cedarhills	10/01/2009		060376808	23430.32	23430.32 10/01/2009
34	Active	34	Engine 06R0259656 - Cedarhills	10/01/2009		06R0259656	23430.32	23430.32 10/01/2009
35	Active	35	Engine 06E0297566 - Cedarhills	10/01/2009		06R0297566	23430.32	23430.32 10/01/2009
36	Active	36	Engine 06R0250736 - Cedarhills	10/01/2009		06R0250736	23430.32	23430.32 10/01/2009
37	Active	37	Engine 06R0247539 - Cedarhills	10/01/2009		06R0247539	23430.32	23430.32 10/01/2009
38	Active	38	Engine 06R0238916 - Cedarhills	10/01/2009		06R0238916	23430.32	23430.32 10/01/2009
39	Active	39	Engine 06R0259607 - Cedarhills	10/01/2009		06R0259607	23430.32	23430.32 10/01/2009
40	Active	40	Engine 06R0380900 - Cedarhills	10/01/2009		06R0380900	23430.32	23430.32 10/01/2009
41	Active	41	Engine 06R0379508 - Cedarhills	10/01/2009		06R0379508	23430.32	23430.32 10/01/2009
42	Active	42	Engine 06R0293150 - Cedarhills	10/01/2009		06R0293150	23430.32	23430.32 10/01/2009
43	Active	43	Generator S302122-05 - Cedarhills	10/01/2009		S302122-05	5820.00	5820 10/01/2009
44	Active	44	Generator S302122-4 - Cedarhills	10/01/2009		S302122-04	5820.00	5820 10/01/2009
45	Active	45	Generator S302122-01 - Cedarhills	10/01/2009		S302122-01	5820.00	5820 10/01/2009
46	Active	46	Generator S303056-02 - Cedarhills	10/01/2009		S303056-02	5820.00	5820 10/01/2009
47	Active	47	Generator S303056-07 - Cedarhills	10/01/2009		S303056-07	5820.00	5820 10/01/2009
48	Active	48	Generator S303056-08 - Cedarhills	10/01/2009		S303056-08	5820.00	5820 10/01/2009
49	Active	49	Generator S303056-01 - Cedarhills	10/01/2009		S303056-01	5820.00	5820 10/01/2009
50	Active	50	Generator S302122-07 - Cedarhills	10/01/2009		S302122-07	5820.00	5820 10/01/2009
51	Active	51	Generator S303056-05 - Cedarhills	10/01/2009		S303056-05	5820.00	5820 10/01/2009

BEW Asset Listing - May 2025								
Sys No	Status	Co Asset No	Description	Acquisition Date	Vendor/Mfg	Mfg Serial No	Cost	Acc Depr Acquisition Date
52	Active	52	Generator S-303056-09 - Cedarhills	10/01/2009		S303056-09	5820.00	5820 10/01/2009
53	Active	53	Generator S203755-12 - Cedarhills	10/01/2009		S203755-12	5820.00	5820 10/01/2009
54	Active	54	Generator S303056-04 - Cedarhills	10/01/2009		S303056-04	5820.00	5820 10/01/2009
55	Active	55	Generator M08H31618304 - Cedarhills	10/01/2009		M08H31618304	5820.00	5820 10/01/2009
56	Active	56	Generator M08H31618302 - Cedarhills	10/01/2009		M08H31618302	5820.00	5820 10/01/2009
57	Active	57	Generator M08H31618310 - Cedarhills	10/01/2009		M08H31618310	5820.00	5820 10/01/2009
58	Active	58	Generator M08H31618203 - Cedarhills	10/01/2009		M08H31618203	5820.00	5820 10/01/2009
59	Active	59	Generator M08H31618301 - Cedarhills	10/01/2009		M08H31618301	5820.00	5820 10/01/2009
60	Active	60	Generator M08H31618308 - Cedarhills	10/01/2009		M08H31618308	5820.00	5820 10/01/2009
61	Active	61	Mufflers - Cedarhills	10/01/2009			21493.30	21493.3 10/01/2009
62	Active	62	Radiator - Cedarhills	10/01/2009			87795.97	87795.97 10/01/2009
63	Active	63	SOCS Box - Cedarhills	10/01/2009			17286.38	17286.38 10/01/2009
64	Active	64	Switchgear - Cedarhills	10/01/2009			142289.22	142289.22 10/01/2009
65	Active	65	Transformers - Cedarhills	10/01/2009			90757.45	90757.45 10/01/2009
66	Active	66	EPC - Process Engineering - Cedarhills	10/01/2009			1539608.36	1539608.36 10/01/2009
67	Partial	67	EPC - H2S Removal Equipment - Cedarhills	10/01/2009			1307074.81	1003681.27 10/01/2009
68	Partial	68	EPC - CO2 Removal Equipment - Cedarhills	10/01/2009			2196860.00	2073148.01 10/01/2009
69	Active	69	EPC - Project Management - Cedarhills	10/01/2009			131133.21	131133.21 10/01/2009
70	Active	70	EPC - Motor Control Center - Cedarhills	10/01/2009			731162.77	731162.77 10/01/2009
71	Active	71	Other Indirects - Cedarhills	10/01/2009			618383.04	618383.04 10/01/2009
72	Active	72	EPC - Oxygen Removal Equipment - Cedarhills	10/01/2009			1437284.68	1437284.68 10/01/2009
73	Active	73	EPC - Thermal Oxidizer - Cedarhills	10/01/2009			294466.00	294466 10/01/2009
74	Partial	74	EPC - Nitrogen Removal Equipment - Cedarhills	10/01/2009			\$2,720,171.86	2690774.99 10/01/2009
75	Active	75	EPC - Compressors - Cedarhills	10/01/2009			4880199.18	4880199.18 10/01/2009
76	Active	76	EPC - Other Equipment - Cedarhills	10/01/2009			798527.68	798527.68 10/01/2009
77	Active	77	Interest - Cedarhills	10/01/2009			2049447.99	2049447.99 10/01/2009
78	Active	78	Equipment SCR - Cedarhills	10/01/2009			583428.01	583428.01 10/01/2009
79	Active	79	Control Equipment - Cedarhills	10/01/2009			33840.27	33840.27 10/01/2009
80	Active	80	Other Equipment & Installation - Cedarhills	10/01/2009			534278.41	534278.41 10/01/2009
81	Active	81	Ingenco Engineering - Cedarhills	10/01/2009			86295.87	86295.87 10/01/2009
82	Active	82	2000 SCFH Vaporizer 500 PSI Max - Cedarhills	12/01/2009	Central Welding Supply		1314.00	1314 12/01/2009
83	Active	83	Urea Pump Shack	02/12/2010	Shinn Mechanical	Job 09-1769	6725.25	2615.34 02/12/2010
84	Active	84	PAK-735 - BK - WD	02/15/2010	New Pig Corp		2884.42	2884.42 02/15/2010
90	Active	90	Replace Compressor - Cedarhills	05/01/2010			68090.09	68090.09 05/01/2010
91	Active	91	Gas Calibration - Cedarhills	06/01/2010			15304.67	15304.67 06/01/2010
92	Active	92	Online Oil Checking System for Generators - Cedarhills	06/01/2010			17377.95	17377.95 06/01/2010
93	Active	93	Recycle Filters to Protecting the Recycle Compressor from	12/01/2010			47295.87	47295.87 12/01/2010
94	Active	94	Engineering Onsite Programming - Cedarhills	04/07/2010	Set Point Control		5862.50	5862.5 04/07/2010
95	Active	95	Trolley System for Guild Skid - Cedarhills	12/31/2010	General Mechanical		7524.14	7524.14 12/31/2010
96	Active	96	Additional CO2 Membranes - Cedarhills	12/31/2010			333642.33	333642.33 12/31/2010
97	Active	97	Paving - Cedarhills	06/30/2010	Lakeside Paving		10317.00	10317 06/30/2010
98	Active	98	Equipment SCR - Cedarhills	04/14/2010			2114.70	2114.7 04/14/2010
99	Active	99	EPC - Other Equipment - Cedarhills	05/03/2010			2049.98	2049.98 05/03/2010
100	Active	100	EPC - CO2 Removal Equipment - Cedarhills	05/24/2010			19619.35	19619.35 05/24/2010
101	Active	101	Direct Overhead - Cedarhills	02/11/2010			1295.00	1295 02/11/2010
106	Active	106	Adj Asset #8 - Gas Interconnect	09/08/2010			21629.83	21629.83 09/08/2010
112	Active	112	Forklift - Lease	05/01/2010			35529.60	35529.6 05/01/2010
113	Active	113	EPC - CO2 Removal Equipment - Cedarhills	01/01/2011	General Mechanical		36398.75	36398.75 01/01/2011
114	Active	114	Laptop - Matt Schneider	03/16/2011	CDW Direct	Z0LZ-2100097886	2437.49	2437.49 03/16/2011
115	Active	115	Computer - Cedarhills	03/15/2011	Dell		1245.81	1245.81 03/15/2011

BEW Asset Listing - May 2025								
Sys No	Status	Co Asset No	Description	Acquisition Date	Vendor/Mfg	Mfg Serial No	Cost	Acc Depr Acquisition Date
116	Active	116	Cedarhills Weather Station	01/19/2011			15914.1	15914.1 01/19/2011
118	Active	118	Containment Drain System for Valve Skid	05/31/2011			18681.07	18681.07 05/31/2011
119	Active	119	Insulate Exhaust Header Eng House	05/31/2011			20653.10	20653.1 05/31/2011
120	Active	120	Heat Exchanger for HX-6310	05/31/2011			39981.03	39981.03 05/31/2011
121	Active	121	Sound Reduction Project	08/31/2011			396957.98	396957.98 08/31/2011
122	Active	122	Install 3rd Stage Pre-Filter	08/31/2011			16898.90	16898.9 08/31/2011
123	Active	123	VFD Control unit to HX-6310 (Guild)	08/31/2011			16213.12	16213.12 08/31/2011
127	Active	127	Cedarhills Power Production Enhancements	12/01/2011			52549.87	52549.87 12/01/2011
128	Active	128	Laptop - RPN Earnest	02/17/2012	Dell		1026.90	1018.35
129	Active	129	Computer - Bio Energy	08/31/2012	Dell		1111.44	1111.44
130	Active	130	Offline Comp Oil Filtration - Cedarhills	04/30/2012			8709.55	8709.55
131	Active	131	Power Production Enhancements - Cedarhills	05/31/2012			10995.43	10995.43
138	Active	138	Back up for SCADA PC - Bio Energy	11/16/2012	Dell		1374.71	1374.71
139	Active	139	Medal Temperature Control - Bio Energy	12/31/2012			81646.10	81646.1
140	Partial	140	Guild Retrofit - Bio Energy	09/30/2012			4437560.64	1476166.37 09/30/2012
141	Disposed	141	Carbon Media Beds (General Mechanical)	11/30/2012	General Mechanical		3760.00	
142	Active	142	Backup computer - Bio Energy	12/18/2012	Dell		1349.24	1349.24
149	Active	149	Max Gas - Individual Injector Offset	07/31/2013			7658.30	7658.3 07/31/2013
157	Active	157	Bio Energy Propane Injection	10/31/2013			36344.54	36344.54 10/31/2013
158	Active	158	Motor for Compressor	08/31/2013			49784.98	49784.98 08/31/2013
159	Active	159	Replace Motor on Recycle Compressor	05/31/2013			53030.06	53030.06 05/31/2013
160	Active	160	AC in MCC Room	10/31/2013			13308.43	13308.43 10/31/2013
163	Active	163	Laptop - Bio Energy	11/07/2013	Dell		1351.89	1351.89 11/07/2013
164	Active	2237	Cedarhills Site Lease	08/03/2007			144,196.22	118947.69 08/03/2007
174	Active	174	Scaffolding	04/24/2014	Brand Energy Services		1033.83	1033.83 04/24/2014
175	Active	175	Scaffolding	05/05/2014	Brand Energy Services		590.78	590.78 05/05/2014
178	Active	178 - Transfer	Laptop for Matthew Schneider - BIO	11/01/2008	Dell		2020.29	2020.29 11/01/2008
179	Active	179 - Transfer	Computer - Cedarhills (Office)	07/01/2009	Dell		1643.51	1643.51 07/01/2009
187	Active	187	Compressor Motor	07/24/2014	Dykman Electrical, Inc.		30599.95	30599.95 07/24/2014
199	Active	199 - Transfer	Dell T5500 Computers	06/27/2014	Dell		700.00	688.34 06/27/2014
200	Active	200	Hard drives - Server Build	09/08/2014	CDW Direct	Z1F2QJ0K/YPX and Z1F2V27P	645.18	645.18 09/08/2014
209	Active	209	Engine 06R0217606 - Cedarhills	11/04/2014	Medric	06R0217606	12295.18	12295.18 11/04/2014
213	Active	213	Cedar Hills Plant Inlet Gas Chromatograph	01/01/2015			246005.05	246005.05 01/01/2015
214	Active	214	Tuthill Blower Replacement	01/01/2015			11252.60	11252.6 01/01/2015
215	Active	215	Second Stage Compressor Motor	01/01/2015			35675.47	35675.47 01/01/2015
220	Active	220	Compressor VSG-2101 SER#4648R	03/11/2015	Synergy Refrigeration, Inc		61182.75	61182.75 03/11/2015
221	Active	221	Vacuum pump motor-Reliance 250 hp	03/06/2015	Delta Electric Motors, Inc		9116.97	9116.97 03/06/2015
223	Active	223	Bare Pump	04/20/2015	Beckwith & Kuffel		7347.78	7286.56 04/20/2015
226	Active	226	Custom Motor-Glycol Pump Motor	05/07/2015	Motion Industries		8272.30	8203.36 05/07/2015
229	Active	229	CAPX_02 FUEL GAS COALESCER-RELOCATE FIL-TREK VESSE	07/09/2015	SHINN MECHANICAL, INC		18820.38	18349.89 07/09/2015
230	Active	230	CAPX_01-FLARED GAS REROUTE-4" 304 SS PIPING	07/09/2015	SHINN MECH, INC		10702.53	10434.94 07/09/2015
231	Active	231	CAPX_01-GUILD TIE-IN	07/09/2015	SHINN MECH, INC		6191.29	6036.52 07/09/2015
232	Active	232	Spare Motor/Vac Pump Fans	06/24/2015	Delta Electric Motors, INC		678.75	661.83 06/24/2015
236	Active	236	Compact Flowmeter	09/09/2015	Rosemount		8905.30	8534.24 09/09/2015
240	Active	240	LAPTOP/BEW SERVER/FIREWALL	12/10/2015	DELL		18258.48	18258.48 12/10/2015
249	Active		System Platform	03/01/2016	InSource Software Solutio	74294	28576.00	28576 03/01/2016
250	Active		Development Studio	03/01/2016	InSource Software Solutio	74294	12129.00	12129 03/01/2016
251	Active		InTouch for System Platform w/Historian Client	03/01/2016	Insource Software Solutio	74294	4466.00	4466 03/01/2016
252	Active		InTouch for System Platform w/Historian	03/01/2016	Insource Software Solutio	74294	4466.00	4466 03/01/2016
253	Active		TOP Server GE Intelligent Platforms Suite	03/01/2016	InSource Software Solutio	74294	995.00	995 03/01/2016

BEW Asset Listing - May 2025								
Sys No	Status	Co Asset No	Description	Acquisition Date	Vendor/Mfg	Mfg Serial No	Cost	Acc Depr Acquisition Date
254	Active		Wonderware Primarey Software Maintenance	03/01/2016	InSource Software Solutio	74294	8635.00	8635 03/01/2016
263	Active		DeOxo Trim Heater E-6300	04/19/2016	Chromolox Inc	1392517	58783.00	52414.84 04/19/2016
268	Active		Sage Depreciation Software	05/03/2016	Sage		3760.00	3760 05/03/2016
274	Active		PowerEdge T430 Server & PowerVault drive	06/08/2016	Erick Halter		16407.91	16407.91 06/08/2016
275	Active		Flowmeter	07/06/2016	Rosemount Inc	70970994	11072.85	9688.78 07/06/2016
291	Active		SCR Catalyst Blocks	11/01/2016	Johnson Matthey Inc	244347	26664.75	26664.75 11/01/2016
293	Active		SCR E Frame Catalyst Modules x 96	11/03/2016	Johnson Matthey Inc	245173	69808.96	69808.96 11/03/2016
296	Active		Glide Valve Replacement on Guild Unit	12/31/2015			41659.28	38534.85 12/31/2015
298	Active		Install Water Header	12/31/2015			11215.12	10373.96 12/31/2015
299	Active		Outdoor Sound Equipment	12/22/2016	Bruel & Kjaer North Ameri	3095471	7651.31	7651.31 12/22/2016
300	Active		V-4190 Weld build up	11/01/2016	Seattle Boiler Works	117081	9378.7	9378.7 11/01/2016
307	Active		Medal Check Valves PSA	02/28/2017	Paramount Supply Co	486979	4561.21	4561.21 02/28/2017
308	Active		Medal PSA Valves	02/28/2017	Pentair Valves & Controls	824795000	16749.38	16749.38 02/28/2017
309	Active		Medal PSA Valves	02/28/2017	Pentair Valves & Controls	824795000	3179.81	3179.81 02/28/2017
321	Active		V-4191 = V-4190 NDE	05/01/2017	Seattle Boiler Works	117669	18965.9	15222.63 05/01/2017
323	Active		TSA Valve Changeout	06/15/2017	Shinn Mechanical, Inc	13473	4495.5	3521.47 06/15/2017
325	Active		MCC Cooling Project	07/07/2017	All Star Heating & A/C	74518	8155.42	6320.43 07/07/2017
326	Active		33 GPM Oil Cooler304L Components	07/07/2017	Southwest Thermal Technol	BEW0001	13120.5	10168.39 07/07/2017
328	Active		MCC Cooling Project 2 5 Ton A/C Units	07/21/2017	All Star Heating & Coolin	74518	2718.48	2084.18 07/21/2017
329	Active		MC Cooling Unit 2 5 Ton A/C	07/14/2017	All Star Heating & Coolin	459	7249.27	5618.2 07/14/2017
343	Active		AC Generator	11/01/2017	Cummings Generator Techno	x17h351635	8304.24	8304.24 11/01/2017
347	Active		V-4191 Repair Remove 8" Piping	01/29/2018	Shinn Mechanical		6497.00	4656.18 01/29/2018
359	Active		Crankcase Vent System	04/04/2018	Solberg Manufacturing		6054.75	4238.36 04/04/2018
362	Active		Propane Injection Elite Coriolis Meter	04/11/2018	Micro Motion		13668.26	9567.8 04/11/2018
371	Active		ST98 Flexmaster Flow Meter Insertion	08/07/2018	Fluid Components Internat		5698.17	3798.79 08/07/2018
378	Active		Tou Refractory Blanket Reline of Tank	09/06/2018	Guy Nielson Company		55633.68	36625.52 09/06/2018
380	Active		Tou Refractory	09/01/2018	BrandSafway Services LLC		10697.53	7042.52 09/01/2018
381	Active		Tou Refractory	09/01/2018	BrandSafway Services LLC		3228.07	2125.16 09/01/2018
382	Active		C-Group Catalyst Cuze Bricks	10/01/2018	AeriNOx Inc		50794.87	50794.87 10/01/2018
384	Active		C-Group Catalyst Cuze Bricks	11/14/2018	Shinn Mechanical		4930.44	4930.44 11/14/2018
386	Active		VSG Compressor s/n 4693R	12/07/2018	VMC Manufacturing LLC		43730.11	43730.11 12/07/2018
387	Active		VSG901 Compressor s/n 7270R	12/19/2018	VMC Manufacturing LLC		38174.69	38174.69 12/19/2018
388	Active		1st Stage Compressor VSG2101 s/n 8048	01/01/2019	Wyatt Refrigeration		71786.86	44866.81 01/01/2019
389	Active		C-3142 Repairs	02/11/2019	Shinn Mechanical		5433.8	3350.84 02/11/2019
390	Active		2nd Stage Inline Separator	02/14/2019	Control Factors Seattle I		45657.08	28155.2 02/14/2019
391	Active		Rebuild VSG-2101 s/n 4383 C-2117	02/20/2019	Wyatt Refrigeration		26250.55	16133.36 02/20/2019
392	Active		Rebuild VSG-2101 s/n 4318 C-2115	02/20/2019	Wyatt Refrigeration		26206.97	15942.59 02/20/2019
399	Active		V-4191 Repair	03/19/2019	NW Tank & Inspection		32308.5	19385.1 03/19/2019
400	Active		V-4191 Repair	04/01/2019	BrandSafway Services		6457.36	3874.43 04/01/2019
401	Active		V-4191 Repair Manway Access Tower	04/01/2019	BrandSafway Services		2009.10	1205.45 04/01/2019
403	Active		Install Separator V-3135	04/19/2019	Shinn Mechanical		9629.56	5697.51 04/19/2019
405	Active		Glycol Vertical Cooler	04/23/2019	Industrial Refrigeration		204675.38	60549.8 04/23/2019
406	Active		Evapco Fluid Cooler	05/31/2019	Various		63349.76	36954.04 05/31/2019
407	Active		V-4191 Repair Weld Build Up	06/01/2019	Seattle Boiler Works		32088.04	18718 06/01/2019
408	Active		V-4191 Media Hydro Excavation	06/01/2019	Pro-Vac		112548.72	112548.72 06/01/2019
409	Active		2 Pilot Assembly Flare Pilots	06/04/2019	MRW Technologies		14908.31	8696.5 06/04/2019
414	Active		Evapco Glycol Fluid Cooler	07/25/2019	Shinn Mechanical Inc		55909.45	31682.04 07/25/2019
419	Active		V-4190 Lining Repairs 2405 Coating	08/22/2019	NW Tank & Lining Inspecti		16550	9240.42 08/22/2019
422	Active		V-4190 Line 1 & 2 Repair Manway Access Tower	09/24/2019	BrandSafway Services LLC		5255.16	2890.36 09/24/2019
426	Active		C-Group Catalyst SCR	10/17/2019	AeriNOx Inc		48876.96	26475.05 10/17/2019

BEW Asset Listing - May 2025									
Sys No	Status	Co Asset No	Description	Acquisition Date	Vendor/Mfg	Mfg Serial No	Cost	Acc Depr	Acquisition Date
427	Active		V-4190 Repair	10/21/2019	BrandSafway Services LLC		3276.46	1774.77	10/21/2019
428	Active		Testo Analyzer 350 Emissions Testing Equip	11/18/2019	Testo Inc		12190.20	6501.45	11/18/2019
430	Active		Vilter Compressor VSG 2101 S/N 4377	11/01/2019	Wyatt Refrigeration		23941.49	12968.31	11/01/2019
432	Active		V-4190 Inspection & Weld	12/31/2019	Seattle Boiler Works		8153.45	4280.58	12/31/2019
433	Active		VSG Rebuild as VSG-901 s/n 4427R 2nd Stage Compressor	12/31/2019	VMC Manufacturing LLC		43880.96	23037.52	12/31/2019
435	Active		Activated Carbon V-4191	02/28/2020	Cabot Corp		139027.50	139027.5	02/28/2020
436	Active		Guild Valves	03/31/2020	Schimberg Co		30673.12	30673.12	03/31/2020
437	Active		HX-205 Tube Bundles	03/25/2020	R&R Engineering Co		21520	10760	03/25/2020
438	Active		Cat Bed A & B	04/01/2020	AeriNOx Inc		90680.92	90680.92	04/01/2020
439	Active		GDS-100 BV Goodway Descaling System	04/14/2020	Goodway Technologies		7406.59	3703.3	04/14/2020
441	Active		AC Generator s/n X19C124602	04/08/2020	Cummings Generator		6593.84	3296.9	04/08/2020
443	Active		TSA Media V-21 V-22	05/05/2020	Interra Global Corp		25475	25475	05/05/2020
444	Active		Toshiba 500 hp Motor 4th Stage Compressor Spare - VSG-	06/02/2020	Dykman Electrial, Inc.		32423.92	15671.55	06/02/2020
445	Active		Whole Catalyst Block Oxidation Catalyst	05/14/2020	Johnson Matthey Inc		10267.79	5048.33	05/14/2020
447	Active		9 Actuators	05/20/2020	Metso Automation USA		10461.87	10113.12	05/20/2020
448	Active		Filter Media Change out From TSA 1 & TSA 2 Vapor Phase	05/28/2020	Prominent Systems Inc		7000	7000	05/28/2020
451	Active		Digital Starter Soft Starter VMX-2450-BP	06/08/2020	Platt Electric Supply		6238	3015.03	06/08/2020
453	Active		TSA Media Scaffolding V-21 V-22	06/22/2020	BrandSafway Services LLC		4756.69	4756.69	06/22/2020
454	Active		Bead 4959 PSA Media Changout PSA 1 & PSA 2	06/26/2020	Interra Global Corp		31080.1	31080.1	06/26/2020
455	Active		PSA Media Changeout PSA 1 & PSA 2	06/26/2020	Coastal Chemical Co		16205.3	16205.3	06/26/2020
456	Active		Guild Valves & Actuators	07/01/2020	Shinn Mechanical		12761.59	12761.59	07/01/2020
457	Active		HX 205 Tube Bundles Remove/Repalce 205 Heat Exchange	07/01/2020	Shinn Mechanical		5821.5	2765.21	07/01/2020
459	Active		TSA Media Remove/Install TSA Spools	07/01/2020	Shinn Mechanical		3959.01	3959.01	07/01/2020
461	Active		Turnkey Filter Media Change PS 1 & 2	07/22/2020	Prominent Systems		7000	7000	07/22/2020
464	Active		Oil Cooler HX for VSG-2101	09/15/2020	VMC Manufacturing		10294	4718.08	09/15/2020
465	Active		Catalyst Bed Recoat SCR Elements	09/21/2020	AeriNOx Inc		18269	18269	09/21/2020
466	Active		VSG-751 Compressor rebuild s/n 4440	09/30/2020	Wyatt Refrigeration	4440	38663.05	17398.39	09/30/2020
469	Active		V-4190 Sulfa Treat Media	02/12/2021	Cabot Corp		118080	118080	02/12/2021
470	Active		V-4190 Sulfa Treat Media	02/19/2021	Freightquote.com Inc		22450	22450	02/19/2021
472	Active		Oxygen Transmitter Deoxo AIT-6009	03/22/2021	CB Engineering Pacific		12848.88	5139.56	03/22/2021
474	Active		Refurbish 5000 Vapor Phase Vessels H2S Media	04/01/2021	Karbonous		39000	15600	04/01/2021
475	Active		Guild Actuators x 6 BEW 8210	04/22/2021	Schimberg Co		7137.51	7137.51	04/22/2021
477	Active		2020 Medal Check Valves	04/30/2021	Superior Valve Co		5059.36	5059.36	04/30/2021
480	Active		Guild Valves	06/17/2021	Schimberg Company		10319.91	10319.91	06/17/2021
481	Active		Gas Mass Flow Meter FIT 290	06/01/2021	Fluid Components Intl		5353.06	2052.01	06/01/2021
482	Active		Guild Valves	06/23/2021	Neles USA		7794.06	7794.06	06/23/2021
483	Active		VSG -901 Vilter Compressor	07/13/2021	VMC Manufacturing		40499.98	15187.5	07/13/2021
484	Active		Catalyst Bed A	07/13/2021	AeriNOx Inc		84125.92	84125.92	07/13/2021
486	Active		Automatic Transfer Switch	08/01/2021	Custom Electrical Service		6901.82	2530.66	08/01/2021
487	Active		Omega 43p Kaeser Blower Block s/n 2915	08/04/2021	R&R Compressor Service Co		7499.00	5499.27	08/04/2021
488	Active		Guild Valves	08/20/2021	Shinn Mechanical		8701.02	8701.02	08/20/2021
490	Active		V7370 & V7177 Turnkey Changeout	09/22/2021	Karbonous		8525	8525	09/22/2021
491	Active		VSG 751 2nd Stage Compressor s/n 4416	09/29/2021	Wyatt Refrigeration		23162.03	8106.7	09/29/2021
492	Active		SCR Bricks x 128	11/02/2021	AeriNOx Inc		36388	36388	11/02/2021
495	Active		CPI Separator	12/01/2021	Highland Tank		19854.55	6618.2	12/01/2021
496	Active		SCR Catalysts x 64	01/18/2022	AeriNOx		18929	18929	01/18/2022
497	Active		Change Out Services	01/21/2022	Pacific Coast Carbon		33800	33800	01/21/2022
498	Active		Pilot Plant from ESM	12/31/2021	ESM		190809.93	62013.21	12/31/2021
499	Active		Variable Frequency Drive	03/25/2022	Platt Electric Supply		5201.21	1560.36	03/25/2022
502	Active		Rebuild VSG-751	12/31/2021	Wyatt Refrigeration		23230.64	7549.94	12/31/2021

BEW Asset Listing - May 2025								
Sys No	Status	Co Asset No	Description	Acquisition Date	Vendor/Mfg	Mfg Serial No	Cost	Acc Depr Acquisition Date
506	Active		PSA Media	04/20/2022	Research Catalysts Inc		34807.9	34807.9 04/20/2022
507	Active		PSA Media Bed support Activated Alumina	05/18/2022	Research Catalysts Inc		37944	37944 05/18/2022
508	Active		Cleaning of Vessel 4191	06/01/2022	Pro Vac LLC		112184.96	112184.96 06/01/2022
509	Active		Media Change V-4191	06/24/2022	Shinn Mechanical Inc		12332	12332 06/24/2022
510	Active		Turnkey Change Out Service PSA Media 1 & 2 Vapor Units	06/29/2022	Karbonous Inc		12350	12350 06/29/2022
511	Active		Install New Methane Detector Transmitter & Receiver	06/08/2022	Supression Systems, Inc		15054.95	4265.58 06/08/2022
514	Active		CPI Condensate Tank Oil/Water Separator	08/12/2022	Shinn Mechanical Inc		7705	2054.66 08/12/2022
515	Active		CPI Separator	08/24/2022	NW Tank & Lining & Inspec		10950	2828.75 08/24/2022
516	Active		ACT 1 Change Out Service	10/13/2022	Pacific Coast Carbon		36740.6	36740.6 10/13/2022
517	Active		V-7370 & V-7177 Change Out Service	10/13/2022	Pacific Coast Carbon		6636.14	6636.14 10/13/2022
518	Active		Oil/Water Separator	10/27/2022	Shinn Mechanical Inc		3670	886.92 10/27/2022
519	Active		Guild Valve Vessel Tank Insulation	10/31/2022	D&G Mechanical Insulation		10100	2440.83 10/31/2022
520	Active		C-9541 Motor Replace Bearings	11/01/2022	integrated Power Services		10895	2632.95 11/01/2022
521	Active		Replace Fin Tube HX Radiator for Engine Group	11/01/2022	Sutton Stromart Limited		22282	5384.82 11/01/2022
522	Active		Change Out 7370 CVP4 Z600 Vacuum Service	11/08/2022	Pacific Coast Carbon		10239	10239 11/08/2022
523	Active		Butterfly Guild Valves x 38	11/17/2022	Valmet Flow Control		30850.5	30850.5 11/17/2022
524	Active		Plate & Frame Exch - GenHouse	11/01/2022	WCR Incorporated		8010.59	1935.89 11/01/2022
525	Active		Injector Driver Project	11/22/2022	Technical & Assembly Serv		15650	3651.68 11/22/2022
526	Active		Change Out Service ACT 2 Carbon Bed	12/15/2022	Pacific Coast Carbon		33800	33800 12/15/2022
527	Active		Molecular Sieve Desiccant - 4 x 330 lb drums - V-7177	01/01/2023	Delta Enterprises Inc		5106.17	5106.17 01/01/2023
528	Active		Oil Separator	01/13/2023	D&G Mechanical Insulation		12050	2711.25 01/13/2023
529	Active		4th Stage Rebuild Compressor Overhaul	02/07/2023	Wyatt Refrigeration		34515.50	7478.35 02/07/2023
530	Active		New Oil/Water Separator Condensate Tank Relocate	02/01/2023	Shinn Mechanical Inc		20620.00	4467.67 02/01/2023
531	Active		Kaesar Fuel Gas BlowerOmega 43P	02/01/2023	R&R Compressor Service Co		8928.00	6448 02/01/2023
532	Active		ACT 1 Change Out Service	02/23/2023	Pacific Coast Carbon		36840.00	36840 02/23/2023
533	Active		Guild Bypass System - Valves	03/17/2023	Unit Process Company		5534.11	1106.82 03/17/2023
534	Active		GUILD Actuators	03/30/2023	Schimberg Company		10163.10	6775.4 03/30/2023
535	Active		4th Stage Compressor VSSG341ST	03/01/2023	VMC Manufacturing LLC		115859.11	24137.31 03/01/2023
536	Active		VSG-341 Rebuild Compressor C-10561	03/01/2023	Wyatt Refrigeration Co		22679.25	4724.85 03/01/2023
537	Active		Mechanical Integrity Inspection Ports Install	04/12/2023	D&G Mechanical Insulation		7800.00	1560 04/12/2023
538	Active		Aluminum Cladding for H2S Towers	04/12/2023	D&G Mechanical Insulation		53000.00	10600 04/12/2023
539	Active		Guild Actuators	04/13/2023	Schimberg Company		16043.97	6417.58 04/13/2023
540	Active		Injector Driver x 14	04/14/2023	Technical & Assembly Serv		8805.05	1761.01 04/14/2023
541	Active		Nitrogen Supply Line Upgrade	04/21/2023	Shinn Mechanical		11341.00	2173.69 04/21/2023
542	Active		TSA Media Alumina	04/27/2023	Interra Global Corp		28000.00	17888.88 04/27/2023
543	Active		Stamford Generator s/n X22K455625	05/01/2023	Cummins Generator Technol		10744.08	2059.28 05/01/2023
544	Active		ACT 2 Change Out Service Carbon Bed	05/03/2023	Pacific Coast Carbon		33800.00	33800 05/03/2023
545	Active		Radiator for Engine Group Coil Removal/Replace	05/05/2023	Shinn Mechanical Inc		6782.71	1300.01 05/05/2023
546	Active		Guild Actuators	05/31/2023	Schimberg Company		5819.32	2133.74 05/31/2023
547	Active		Media TSA Vessels	06/01/2023	Freightquote.com		4725.00	2887.5 06/01/2023
548	Active		Rebuild Compressor VSG 2101 s/n 4379R	06/21/2023	Wyatt Refrigeration Co		30069.61	5262.18 06/21/2023
549	Active		TSA Media Change Out Service	06/21/2023	Pacific Coast Carbon		6543.00	3816.75 06/21/2023
550	Active		TSA Media Access to V21 & V22	07/01/2023	BrandSafway Services LLC		3481.67	2030.98 07/01/2023
551	Active		Auxiliary Storage Units	07/01/2023	Afordable Storage Contain		13100.00	2292.5 07/01/2023
552	Active		Insulation of H2S Tanks	07/01/2023	BrandSafway Services		14657.65	2565.09 07/01/2023
553	Active		Guild Vessel Insulation	07/01/2023	BrandSafway Services		6409.49	1121.66 07/01/2023
554	Active		AC Stamford Generator s/n X22K455626	07/14/2023	Cummins Generator Technol		10427.36	1824.79 07/14/2023
555	Active		Access V1 & V2 Dismantle for TSA	08/01/2023	BrandSafway Services LLC		1946.82	1081.56 08/01/2023
556	Active		Vacuum Pump Oil Coolers	08/01/2023	Hydra Power Systems Inc		28990.80	4831.8 08/01/2023
557	Active		Enardo Element Assembly Gasket	09/01/2023	Applied Control Equipment		29128.32	4611.97 09/01/2023

BEW Asset Listing - May 2025								
Sys No	Status	Co Asset No	Description	Acquisition Date	Vendor/Mfg	Mfg Serial No	Cost	Acc Depr Acquisition Date
558	Active		Ferrix A33E Resin Media	09/01/2023	Purolite LLC		11321.15	8962.58 09/01/2023
559	Active		Freight from Inv 140771736	09/01/2023	Hydra-Power Systems Inc		3571.70	565.52 09/01/2023
560	Active		Guild Butterfly Valve Replacement	10/01/2023	Shinn Mechanical Inc		20192.03	15144.02 10/01/2023
561	Active		C-Group Exhaust Pipe	11/01/2023	Performance Contracting I		17050.00	2415.42 11/01/2023
562	Active		C-Group Exhaust Header	11/01/2023	Shinn Mechanical Inc		58792.75	8328.98 11/01/2023
563	Active		Genhouse Insulation	12/21/2023	Performance Contracting I		5943.00	742.87 12/21/2023
564	Active		Genhouse Insulation	12/27/2023	BrandSafway Services LLC		7948.14	993.51 12/27/2023
565	Active		H2S Tower Insulation	03/01/2024	Pape Material Handling Ex		10109.10	1095.15 03/01/2024
566	Active		Vac Pump Oil Coolers B/D	07/01/2024	Shinn Mechanical Inc		7158.20	536.86 07/01/2024
567	Active		Group Radiator Replacement	09/01/2024	Shinn Mechanical Inc		5564.51	324.59 09/01/2024
568	Active		New Vac Pump Oil Cooler & Cores x 2	10/01/2024	Affton Radiator Service		13572.00	678.6 10/01/2024
569	Active		Genhouse Radiator & Detonation Arrestor	10/01/2024	Affton Radiator Service		13225.28	661.26 10/01/2024
570	Active		12" Butterfly & 3: Vent Line-Flare Inlet Piping Mods	11/05/2024	Shinn Mechanical		9512.53	396.35 11/05/2024
571	Active		Vacuum Pump A&C Bearing & Seal Changes	12/31/2024	Gardner Denver Nash		64564.97	1614.12 12/31/2024
572	Active		H2S Towers Stainless Conversion	02/01/2025	Shinn Mechanical Inc		18734.21	312.23 02/01/2025

Exhibit 2 to Schedule 2.1(b)
Plant Schematic

See attached.

Exhibit 2 to Schedule 2.1(c)

Cedar Hills Landfill Gas Reclamation Process Schematic

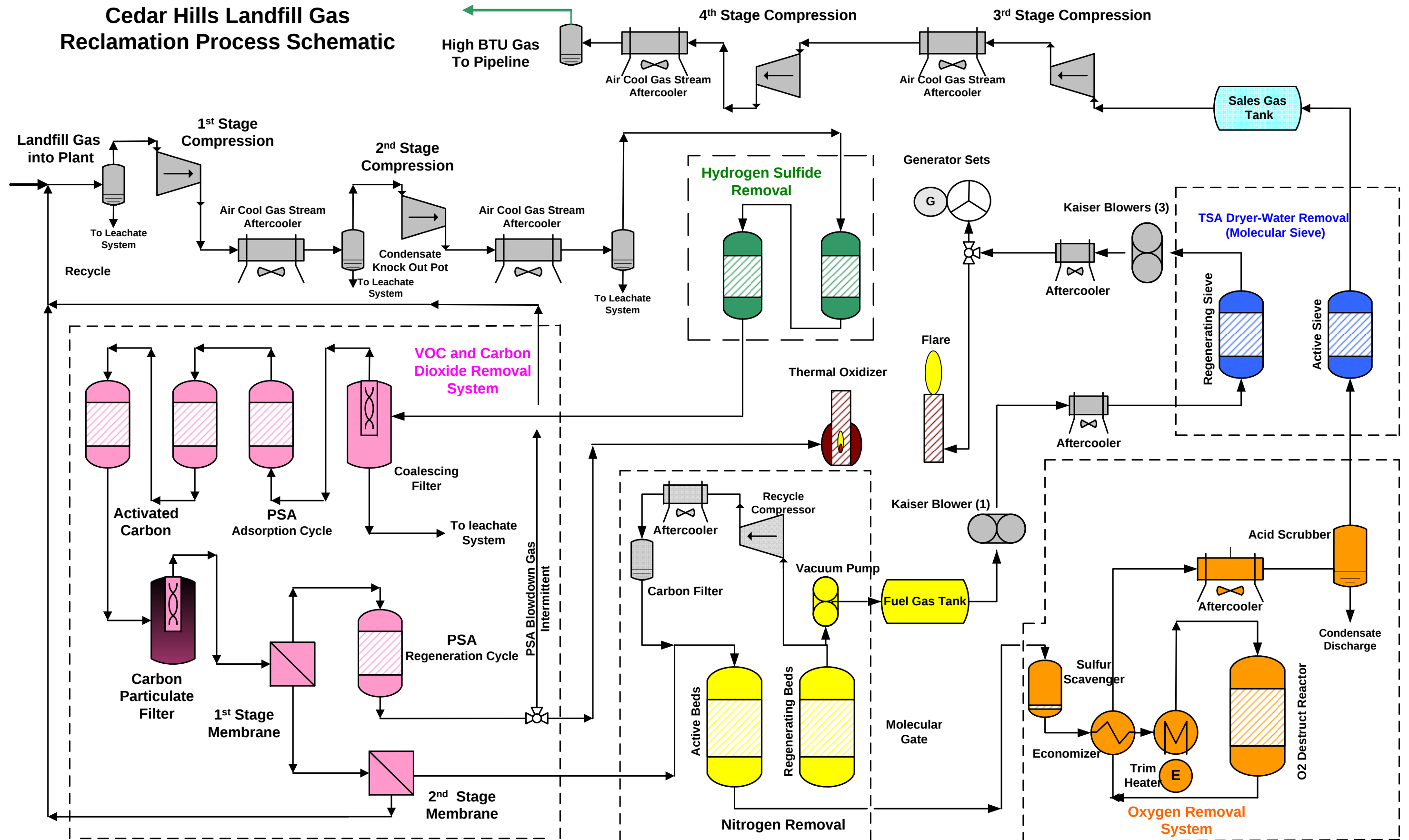


Exhibit 3 to Schedule 2.1(b)
List of Spares

See attached.



Account 1352 Spares (May 31, 2025)					
Date	Name	Memo	Split	Amount	Description
Mar-16	Dykman Electrical	Toshiba 400 hp Motor/s/n 140302887; VSG-751		30,599.95	Warranty Rebuild; Spare 2nd /3rd Stage Compressor Motor
01/01/2016	ABB, Inc.	Serial # 2500kVA Padmounted Transformer = JC791730001	4020 · Accounts Payable	38,162.04	Spare transformer for plant electrical supply.
03/27/2015	Garner DenverNash LLC	Nash Vacuum Pump; s/n 07D1300		24,140.00	Spare guild vacuum pump
03/07/2018	Rogers Equipment Sales, Inc.	Marathon #E769 350hp, 3600rpm, 460 volt, 447/9TS frame, TEFC, premium eff. s/n WAA...		17,404.70	Spare 1st stage compressor motor
2/6/2019	R&R Compressor Service Co.	Inv # 39045726 - Omega 63 Kaeser Blower Block Rebuild s/n 1015 BJ 2012.		8,135.19	Spare BL-404
07/02/2019	VMC Manufacturing LLC	WA State Sales Tax not collected by Vendor - 1352 / 4026		3,483.00	
12/30/2019	Northwest Industrial Repair	Tuthill Blower BL-306, s/n 376623		12,286.92	
03/11/2020	Chromalox, Inc.	Invoice #1707013 - Guild TSA SCR Heater Controller - MXPCII - 4091110F040		3,749.34	
5/20/2019	Wyatt Refrigeration Co.	Invoice # 21954 - VSG-2101 - s/n 4383 - Spare 1st Stage Compressor - Rebuild		23,431.76	
03/25/2022	Platt Electric Supply, Inc.	Invoice # 2Q16977 - Variable Frequency Drive x 1		3,201.21	
07/22/2022	VMC Manufacturing LLC	Invoice # SI253478 - Compressor VSG901 - BEW-8576		54,341.88	
08/09/2022	Integrated Power Services LLC	Invoice # 6801829 - BEW-8758 - 500 hp Toshiba Motor, Model # 3F4500K398078TKKH - s/n 151001847		13,395.00	
09/01/2022	Wyatt Refrigeration Co.	Invoice # 25412 - BEW-8557 - dated 08/25/2022 - VSG-901 Rebuild - S/N 4427R		36,024.13	
10/31/2022	R&R Compressor Service Co.	Invoice # 42053698 - BEW-8844 - Kaeser Air Compressor Motor - s/n 1542		6,711.85	
03/14/2023	Center Electric, Inc.	Invoice # 81733-000 - BEW-5931 - Vac Pump Motor TECO (5 Years listed on Invoice)		13,500.46	
03/14/2023	VMC Manufacturing LLC	Invoice # SI261896 - VSSG341ST Compressor - BEW-8818		126,567.06	
08/02/2023	Wyatt Refrigeration Co.	Invoice # 26378 - BEW-9150 - Compressor VSG341ST - 4th Stage Rebuild - s/n 4482		32,262.03	
08/10/2023	Integrated Power Services LLC	Invoice # 6804123 - BEW-8880 - 3rd Stage Compressor Motor s/n 221200793 - (10 Years) put into st...		68,244.41	
10/23/2023	Wyatt Refrigeration Co.	Invoice # 26609 - BEW-9287 - VSG-2101 Rebuild C-2110 Compressor - s/n 4381R		17,058.66	
Total 1352 - Finished Goods -- Inventory				540,699.61	
TOTAL				540,699.61	
G/L				540,699.61	

Schedule 2.1(c)
Transferred Contracts

1. Propane Supply Agreement and Equipment Lease Non-Residential (“**Propane Agreement**”) dated February 20, 2014 between Seller and AmeriGas Propane (“**AmeriGas**”).
2. Product Sale Agreement (“**Product Agreement**”) dated February 20, 2023 between Seller and Central Welding Supply Company, Inc.
3. Contract Order # CO500541255 with 8x8 for VOIP services.
4. Rental Agreement for a 85’ Diesel Stick Boom w/rt non-mark tire from Pape Rents.
5. Republic Services; Trash and Recycle Services Agreement dated January 12, 2023.
6. Network Administration Agreement dated October 9, 2016 between Seller and Archer Integration.
7. Service Agreement dated May 2, 2024 between Seller and Vestis.

Schedule 2.1(d)
Transferred Permits

1. Order of Approval to Notice of Construction No. 9815, Registration No. 29205, issued August 15, 2008, by Puget Sound Clean Air Agency (“PSCAA”) to Robert Greene / Bio Energy (Washington), LLC, pursuant to Article 6 of Regulation I of the Puget Sound Clean Air Agency to Construct, Install, or Establish a Landfill Gas Reclamation processing system rated to produce 4000 cfm of pipeline quality natural gas, twelve (12) Detroit Diesel Series 60 compression ignited Engine Generators rated at 350 kW each using landfill gas or diesel fuel oil, controlled by two (2) selective catalytic Nox reduction units rated for 15,000 cfm, two (2) oxidation catalysts rated for 15, 000 cfm, a thermal oxidizer rated at 5535 cfm and an emergency flare rated for 5830 cfm at the installation address of 16645 228th Street, Maple Valley, WA, 98030.
2. Order of Approval to Notice of Construction No. 9900, Registration No. 29205, issued March 9, 2009, by PSCAA to Robert Greene / Bio Energy (Washington), LLC, pursuant to Article 6 of Regulation I of the Puget Sound Clean Air Agency to Construct, Install, or Establish six (6) Detroit Diesel Series 60 compression ignited Engine Generators rated at 350 kW each using landfill gas or diesel fuel oil, controlled by one (1) selective catalytic Nox reduction unit rated for 15,000 cfm, and one (1) oxidation catalysts rated for 15,000 cfm at the installation address of 16645 228th Street, Maple Valley, WA, 98030.
3. Order of Approval to Notice of Construction 12185, Registration No. 29205, issued April 15, 2024, by PSCAA to Bio Energy (Washington), LLC, pursuant to Article 6 of Regulation I of the Puget Sound Clean air Agency to modify the Notice of Construction Orders of Approval Nos. 9815 and 9900 to limit when the eighteen (18) Detroit Diesel Series 60 compression ignited Engine Generators rated at 350 kW each may operate on liquid fuel only (Mode 1), eliminate Mode 1 source test emission limit requirements, and clarify annual source testing requirements at the installation address of 16650 228th Ave SW, Maple Valley, WA, 98038.

Schedule 2.1(e)
Transferred Intellectual Property

1. To the extent assignable, the software referenced in BEW Software Summary 2025, a copy of which is attached to this Schedule 2.1(e).
2. To the extent needed to operate the Plant, and to the extent owned by Seller, any and all rights of Seller in, arising out of, or associated with any of the following in any jurisdiction: (a) copyrights and works of authorship, whether or not copyrightable, and all registrations, applications for registration, and renewals of any of the foregoing; and (b) trade secrets, inventions (whether or not patentable), discoveries, improvements, technology, business and technical information, databases, data compilations and collections, tools, methods, processes, techniques, and other confidential and proprietary information and all rights therein.
3. Any intellectual property contained in the Standard Operating Procedures prepared by Seller for Plant operations, as well as any other Seller prepared operating manuals.
4. Any intangible know-how of Seller, its officers, employees, and consultants related to the ownership and operation of the Plant (to the extent owned by Seller) that is (i) disclosed by Seller to Purchaser, (ii) discerned or learned by Purchaser from Seller, its officers, employees, and consultants during the course of Seller's negotiation and performance of this Agreement or the Transition Services Agreement, or (iii) communicated to Purchaser by current or former employees of Seller (the "**Transferred Knowhow**").

BEW Software Summary 2025				
Unit	Program	Version	OS	Licensing
PLC				
Gas Plant	RS5000 Logix	20.1.2600.0	WinXP	Perpetual - Key at Install
Screw Compressor Control	VSGVSS_CPX_090216	Rev 16.21	N/A	Perpetual - Key at Install
Urea Dosing for Emission Control	Argillon SinOX		N/A	Perpetual - Key at Install
Thermal Oxidizer/Flare	RS500 Logix	8.10.0.24	WinXP	Perpetual - Key at Install
Control Room Operations				
MEDAL CO2 Removal	RSSView32	7.40.15.0	WinXP	Perpetual - Key at Install
Guild Molecular Sieve	Citect Runtime	5.50.0.210	WinXP	Perpetual - USB Key
Trend Software	ActiveFactory	0595.0168.0067.0005	Win7	Perpetual - Server Distributed
Database Export	Microsoft Excel	2010	Win7	Perpetual - Key at Install
Gas Plant/Genhouse	Wonderware Window Viewer (InTouch)	10.6.001	Win7	Perpetual - Server Distributed
Gas Chromatographs				
Daniels	MON2000	4.1	WinXP	Perpetual - Key at Install
ABB (plant and inlet)	PCCU32	7.57	WinXP	None
Engineering/Maintenance Software				
Generator Controls	CScape	9.6	Win7	None
Woodward Valve Program	L-Series Service Tool	3.3	Win7	None
SICK Analyzer Software	TS100 E3 Diagnostic Tool	2.0.0	Win10	None
Wonderware Development	Development Studio	2014R2	Win7	Perpetual - Key at Install
Spectrasensor Data Monitor	Hyperterminal	N/A	Win7	None
PCM Program (Upload Only)	Mototune	10.0.0.265	Win7	Perpetual - USB Key
Server Management				
Cross Platform Comms	TOP Server	5.19.467.0	Win7	Perpetual - Key at Install
Virtual Machine Management	VMWare ESXi	2016.03.02	Win7	Perpetual - Key at Install
Office Administration				
Maintenance Tracking and Inventory	KeepTrak	7/14/16	Win7	Perpetual - Key at Install
Printers	HP ControlCenter		Win7	None
Firewall	Forticlient		N/A	Managed by Third Party
Word processing, spreadsheets, etc	Office 365		Win7	Mixed - Subscription, Purchased Key

Schedule 3.3(a)(ix)
Consents

1. Consent from AmeriGas to transfer the Propane Agreement.
2. Consents from PSCAA to transfer the permits listed in Schedule 2.1(d), assuming such permits can be transferred to Purchaser.
3. Consent from Pape Rentals to transfer the Rental Agreement for a 85' Diesel Stick Boom w/rt non-mark tire from Pape Rentals.
4. Consent from Vestis to transfer the Service Agreement dated May 2, 2024 between Seller and Vestis.

Schedule 7.5
Allocation of Purchase Price

Real Estate Value	\$730,000
Personal Property	\$9,968,321
Goodwill/Going Concern	\$59,301,679
Total	\$70,000,000



King County

Metropolitan King County Council Transportation, Economy, and Environment Committee

REVISED STAFF REPORT

Agenda Item:	7	Name:	Terra Rose
Proposed No.:	2025-0176	Date:	July 15, 2025

COMMITTEE ACTION

Proposed Substitute Ordinance 2025-0176.2, which would authorize the Executive to enter into a revised Asset Purchase Agreement to acquire the landfill gas processing plant owned and operated by Bio Energy Washington, passed out of committee on July 15, 2025, without recommendation. The Proposed Ordinance was amended in committee with Amendment 1 to replace the transmitted version of the Asset Purchase Agreement with a revised version. Relative to the transmitted version, the revised Asset Purchase Agreement corrected reference errors and removed draft watermarks; added definitions for "Tangible Personal Property" and related terms; added language clarifying that a third-party operator is permitted to use confidential materials; and made updates to certain schedules.

SUBJECT

Proposed Ordinance 2025-0176 would authorize the Executive to enter into the proposed Asset Purchase Agreement to acquire the landfill gas processing plant owned and operated by Bio Energy Washington and located onsite at the Cedar Hills Regional Landfill.

SUMMARY

Landfill gas is generated through the decomposition of waste buried at the County's Cedar Hills Regional Landfill and is captured by a gas control system operated by the Solid Waste Division to reduce emissions escaping through the ground or air. Pursuant to original agreements approved by the Council in 2003, which were later amended and restated in 2007,¹ Bio Energy Washington ("BEW"), a private company, built its landfill gas processing plant onsite at Cedar Hills and processed collected landfill gas into pipeline-quality, renewable natural gas. Under the most recent agreement with BEW and a separate agreement with Puget Sound Energy, the County received revenues for the sale of the collected landfill gas, as well as for the environmental attributes

¹ Ordinance 14723; Ordinance 15872

associated with the collected gas due to the state's classification of landfill gas as a "renewable resource."

In 2023, BEW notified the County that it was ceasing operation of its plant and subsequently filed suit against the County in U.S. District Court, claiming the County breached the agreement with BEW, claiming in part the County was not following good engineering practices in gas collection and in determining responsibility for disposal of hazardous waste residuals after gas processing. The County countersued with multiple claims against BEW. Earlier this year, the parties reached and executed a Settlement Agreement wherein the County and BEW would negotiate an agreement for, among other things, the County to acquire BEW's plant. Since this time, the County has received no revenues for the sale of the gas and the collected landfill gas has been flared, which refers to burning the landfill gas at a high temperature to reduce, but not eliminate, the volume of greenhouse gases.

Proposed Ordinance ("PO") 2025-0176 would authorize the Executive to enter into the proposed and negotiated Asset Purchase Agreement (Attachment A to the PO; "Purchase Agreement"), which consists of several exhibits, including ancillary licensing and transition agreements, for the County to acquire BEW's landfill gas processing plant for \$70 million on an "as-is" basis. Additionally, under both the Settlement Agreement and Purchase Agreement, the County would make a \$5 million payment to settle the litigation, which does not establish either party as the prevailing party.

According to the Statement of Facts in the proposed ordinance, in addition to providing for the County's acquisition of the plant, the ordinance would resolve the ongoing litigation and provide for "significant environmental and financial benefit to the County." According to Executive staff, capturing the landfill gas and processing it at the plant allows for its conversion into renewable natural gas, producing potentially enough energy to meet the natural gas needs of over 17,500 homes in King County. This means that an equal amount of non-renewable energy, such as fossil fuels, do not need to be consumed, reducing greenhouse gas emissions.

Executive staff estimate a net revenue of \$5 million annually beginning in 2026 after expenditures, which includes the estimated cost to operate the plant, debt service, and the one-time settlement payment. No revenue is expected for 2025. Executive staff expect that the debt service will be supported by the revenue generated from the sale of gas and environmental attributes such that the County should break even on its initial investment in 2035. Assuming approximately \$10 million in rehabilitation and improvement capital projects, Executive staff state that the estimated life of the plant is through 2045.

Further agreements with other entities for the sale of the processed gas and environmental attributes and with a third-party to operate the plant will need to be further negotiated and executed for the plant to be operational and begin revenue generation. Given the work expected that is yet to be completed and other factors, there remain some unknowns and uncertainties for the Council to consider:

- *Extended due diligence period is not yet complete:* A two-month due diligence period, granted under the Settlement Agreement, took place earlier this year

during which the County had the right to review information about the plant and its operation, as well as conduct engineering reviews and other tests. Executive staff indicate they have negotiated an extension of this period “to allow extra time to analyze data that was not collected during the initial demonstration period, which resulted in the need for a subsequent demonstration period.” Executive staff anticipate all final reports related to plant condition and operation to be completed in mid-July.

- *Final version of the Purchase Agreement expected to be available just prior to 7/15 TrEE meeting, except for Schedule 7.5:* Council staff have noted that some exhibits (including ancillary agreements) and schedules in the transmittal appear to be in draft form. Additionally, there were provisions in the agreements that were ambiguous or lacked clarity for which the Prosecuting Attorney’s Office has been negotiating revisions with BEW. Executive staff expect to be able to provide the final version of the Purchase Agreement (including exhibits) to the Council late in the day on 7/14, the day before the TrEE meeting, except for Schedule 7.5. Schedule 7.5 concerns the allocation of the purchase price and all other capitalized costs for tax purposes and Executive staff expect to be able to provide a final Schedule 7.5 on 7/18. Council staff will report in committee on the differences between the transmitted version of the Purchase Agreement (and exhibits) with the updated version expected to be provided on 7/14.
- *Estimated taxes to be paid by the County from the proposed acquisition is currently unknown:* Given that the tax allocation schedule described in the previous bullet is not expected to be available by the TrEE meeting, the estimated tax burden the County would incur because of the proposed acquisition is currently unknown and is expected to be additional to the purchase price of \$70 million. An estimate should be available following completion of the schedule, which is expected to be provided on 7/18.
- *Some potential uncertainty related to revenue estimates:* Executive staff are in the process of negotiating potential agreements for the sale of the renewable natural gas and associated environmental attributes, so the exact pricing has not yet been finalized. Therefore, given this and the volatility in the energy market, there is some potential uncertainty in the actual revenue that would accrue to the County in the near-term. Further, some uncertainty may also exist in terms of the long-term revenue potential, as both Washington State and the County engage in targeted efforts to further divert organic wastes and food wastes from being disposed. Methane, which is 50-60% of landfill gas by volume², is generally the result of organic waste decaying under anaerobic conditions (without oxygen).³ However, as noted previously, estimated revenues are not the only factor upon which Executive staff are justifying the acquisition, as they also note the environmental benefits and the resolution of the litigation.

It is a policy decision of the Council to determine whether any existing uncertainty with regard to potential revenues, the estimated tax burden to the County resulting from the

² 2019 King County Comprehensive Solid Waste Management Plan

³ U.S. EPA, *Quantifying Methane Emissions from Landfilled Food Waste* [\[Link\]](#)

transaction, the outcome of the extension of the due diligence period, or other current unknowns are outweighed by the environmental benefits and resolution of the litigation.

A related supplemental budget ordinance, **Proposed Ordinance 2025-0177**, would make a supplemental appropriation of approximately \$91.9 million to support the purchase of the gas processing plant (\$70M), plant capital improvements (\$10M), make the agreed-upon settlement payment (\$5M), as well as cover operating and startup costs (\$3.5M) and estimated debt service (\$1.8M) for 2025.

Council adoption of the ordinances authorizing the County to execute the Purchase Agreement, perform the transactions contemplated by said agreement, as well as appropriating the funds necessary to pay the purchase price and the agreed-upon settlement amount, are conditions of closing under the Agreement. The Settlement Agreement states that if the transaction does not close for any reason by the deadline of August 29, 2025, absent an extension agreed upon by both parties, the litigation shall promptly proceed to trial, as determined by the Court. As the Executive will not be authorized to sign the Purchase Agreement until the underlying ordinance is effective, final action by the Council by July 22, 2025 will ensure that the closing can occur by August 29, 2025.

BACKGROUND

Cedar Hills Landfill Gas Generation and Collection. The Cedar Hills Regional Landfill (“Cedar Hills”; “landfill”), owned by the County and located in unincorporated Maple Valley, is the single operating landfill in King County and receives garbage from the cities and unincorporated areas in the County’s regional solid waste system.⁴ Landfill gas is generated through the decomposition of waste buried in the landfill and as required by state and federal law, is captured by a gas control system operated by the Solid Waste Division to reduce emissions escaping through the ground or air.

Contractual Arrangements for the Processing and Sale of the County’s Landfill Gas. A series of agreements have governed the processing of the landfill gas generated at Cedar Hills into renewable natural gas and its subsequent sale, as well as the sale of the environmental attributes associated with the landfill gas. Figure 1 provides a graphical depiction of the existing arrangements between the County, Bio Energy Washington (“BEW”), and Puget Sound Energy (“PSE”). The specific contractual arrangements and their respective authorizing legislation are further described following the figure.

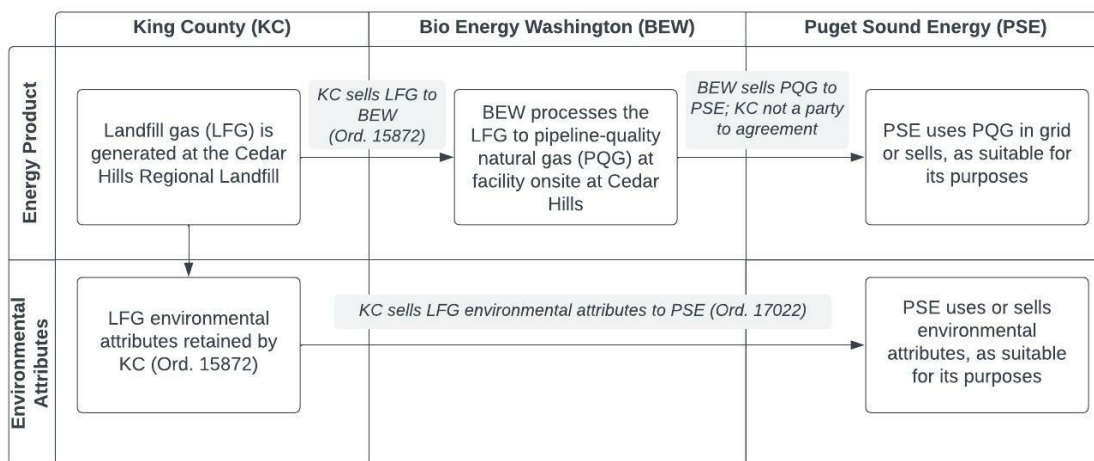
Under state law, landfill gas is classified as a “renewable resource” and therefore, associated with the landfill gas are environmental attributes, which can be sold or used as offset credits.⁵

Prior to the arrangement shown in Figure 1, the County “flared” the landfill gas, which refers to burning the gas at a high temperature to reduce, but not eliminate, volumes of greenhouse gasses.

⁴ Includes all cities in King County except for Seattle and Milton

⁵ RCW 19.285.030(21)

**Figure 1.
Contractual Arrangements for the Processing and Sale of County's Landfill Gas
(and Associated Environmental Attributes)**



King County Arrangement with BEW. In 2003, the Council approved legislation that authorized the King County Executive to enter into agreements with BEW, a private company, currently owned by Ingenco Holdings, LLC, for the sale and conversion of landfill gas into energy.⁶ In accordance with the original project agreements, BEW developed, built, and owns the landfill gas processing plant located at Cedar Hills on property leased to BEW by the County.

In 2007, the Council authorized the Executive to execute amended and updated agreements related to the project development, gas sales, and site lease that are in effect until 2030 with the possibility of extension.⁷ Until 2023 when the plant ceased operations, BEW had been processing the landfill gas to pipeline-quality, renewable natural gas at its plant.

BEW Arrangement with PSE. BEW had an agreement with PSE, to which the County is not a party, where BEW sells PSE the pipeline-quality, renewable natural gas. This gas

⁶ Ordinance 14723

⁷ Ordinance 15872

is routed through a nearby gas line into the PSE grid and is also used to power the BEW plant.

County Arrangement with PSE. Under the agreement between the County and BEW, the County retains any and all rights to the environmental attributes that are associated with the landfill gas.⁸ Between 2011 and when the last agreement with PSE expired in mid-2023, the County sold the environmental attributes to PSE, which resulted in PSE having the rights to both the processed landfill gas and the environmental attributes.⁹

Current Situation. In 2023, BEW notified the County that it was ceasing operation of the landfill gas processing plant and subsequently filed suit against the County in U.S. District Court, claiming the County breached its contractual obligations to BEW, claiming in part the County was not following good engineering practices in gas collection and in determining responsibility for disposal of hazardous waste residuals after gas processing.¹⁰ The County countersued with multiple claims against BEW. The parties reached and executed a Settlement Agreement earlier this year, wherein the County and BEW would, among other things, negotiate an agreement for the County to acquire the plant from BEW.

Since BEW ceased operation of the plant, Executive staff indicate that the Division has been flaring the landfill gas, as required by the landfill's operational permits, which require flaring during periods when landfill gas cannot be sent to BEW.

ANALYSIS

There are three proposed ordinances in front of the Council that relate to the acquisition of BEW's landfill gas processing plant:

- **Proposed Ordinance 2025-0176** would authorize the Executive to enter into the Asset Purchase Agreement (Attachment A to the PO; "Purchase Agreement") to acquire BEW's landfill gas processing plant.
- **Proposed Ordinance 2025-0177** would make a supplemental appropriation to support the purchase of the landfill gas processing plant, plant capital improvements, and estimated operating costs.

Council status as of 7/9: The appropriations that are proposed by this ordinance were folded into the Chair's striking amendment to the 2025 1st omnibus budget ordinance,¹¹ which was adopted at the July 9th Budget and Fiscal Management ("BFM") committee meeting. Under the amended omnibus ordinance, the proposed appropriations related to plant acquisition are expenditure restricted such that the funds are unable to be spent until PO 2025-0176, concerning the Purchase Agreement, is effective. Possible final Council action on the amended omnibus budget ordinance is tentatively scheduled for July 15th.

⁸ Ordinance 15782

⁹ Ordinance 17022; Ordinance 19562

¹⁰ U.S. District Court, Case No. 2:23-cv-00542-LK

¹¹ Proposed Ordinance 2025-0159

- **Proposed Ordinance 2025-0158** would provide for additional County bond issuance authority for the acquisition and improvements of the landfill gas processing plant, as well as other projects proposed to be bond-funded in the 2025 1st omnibus budget ordinance.

Council status as of 7/9: This ordinance was passed out of the BFM committee on July 9th and final Council action is tentatively scheduled for July 15th.

This staff report will cover all three ordinances, but only **Proposed Ordinance 2025-0176**, related to the Purchase Agreement, is on today's committee agenda for discussion and possible action.

PO 2025-0176 – Asset Purchase Agreement and Related Agreements

Proposed Ordinance 2025-0176 was transmitted on June 13, 2025, and would authorize the Executive to enter into the proposed Purchase Agreement to acquire the landfill gas processing plant currently owned by BEW on an as-is basis for \$70 million. According to the Statement of Facts in the proposed ordinance, in addition to providing for the County's acquisition of the plant, the ordinance would resolve the ongoing litigation and provide for "significant environmental and financial benefit to the County."

Key Purchase Agreement Provisions. Figure 2 highlights key provisions of the proposed Purchase Agreement and includes the following series of related agreements and documents as exhibits:

- Exhibit A – Settlement Agreement, executed by the County on March 19, 2025;
- Exhibit B – Form of Assignment and Assumption Agreement;
- Exhibit C – Form of Bill of Sale;
- Exhibit D – Form of Transition Services Agreement;
- Exhibit E – Form of License Agreement.

Figure 2.

Key Provisions of Proposed Purchase Agreement Between BEW and the County

NOTE: Non-underlined, capitalized terms used in Figure 2 are defined in the Purchase Agreement or its exhibits.

Agreement Section(s)	Provision
1.1 and Exhibit A	<u>Settlement Amount</u> : A \$5.0 million payment is to be made by the County to BEW to settle the Litigation at Closing. Under the terms of the Settlement Agreement (Exhibit A to the Purchase Agreement), this payment does not establish that either Party was a Prevailing Party. Additionally, the Settlement Agreement states that BEW expressly waives all rights to seek any attorney's fees, except in a scenario where the County fails to close on a purchase and sale agreement and complete the purchase of the Plant. The Settlement Agreement also provides that if the transaction does not close for any reason, BEW will not be entitled to the \$5 million payment.
2.1	<u>Purchased Assets</u> : BEW is to sell to the County, free and clear of all liens, the assets, properties, rights, titles, and interests "to the extent related to the ownership or operation of the Plant," including the following and as further

Agreement Section(s)	Provision
	provided for under the specific language in the Purchase Agreement: • All inventories of fuels, supplies, materials, and spares located on the Plant Site before the end of the Due Diligence Period (discussed further later in the staff report), less any used for maintenance during the period before the Closing Date; • Machinery, equipment, vehicles, furniture, and other personal property located on the Plant Site before the end of Due Diligence Period, including personal property identified on Schedule 2.1(b)¹²; • Transferred Contracts identified on Schedule 2.1(c)¹³; • Transferred Permits, to the extent assignable, identified on Schedule 2.1(d), and further discussed later in this staff report; • Transferred Intellectual Property, identified in Schedule 2.1(e)¹⁴; and • BEW's books and records relating to the ownership, operation, and maintenance of the Plant, other than those identified as excluded. "Excluded Assets" are further identified in Section 2.2 of the Purchase Agreement. Examples include: cash and any similar rights arising from ownership or operation of the Plant prior to the Closing; specific BEW records, such as business plans, federal tax returns, personnel files, etc.
3.1	<u>Purchase Price:</u> A \$70.0 million payment by wire transfer in immediately available funds is to be paid by the County to BEW at Closing.
3.2	<u>Closing Deadline:</u> The closing of the purchase and sale contemplated by this [Purchase] Agreement shall take place on or before the Closing Deadline, August 29, 2025, unless otherwise agreed to in writing by the Parties.
3.3	<u>Closing Deliverables – BEW:</u> At Closing, BEW shall deliver to the County the following: • Executed Exhibits B, C, D, and E; • Evidence that BEW has withdrawn all open or pending requests to the County under the Washington Public Records Act; • Evidence that BEW has transferred all Transferred Contracts and Transferred Permits (as listed in the relevant Purchase Agreement Schedules) to the County, effective as of the Closing; • Certification of resolutions authorizing the execution of the Purchase Agreement and other associated documents and agreements; • Affidavit of non-foreign status of BEW in compliance with Internal Revenue Service code; and

¹² Examples of Personal Property include: Equipment that is affixed to the property; Plant operating and gas testing manuals; items listed on the Master Asset List (Exhibit 1 to Schedule 2.1(b)), including the building itself, engines, generators, various systems and computers related to Plant performance and operation, forklifts, etc.; spares. For the full list, see Schedule 2.1(b).

¹³ Examples of Transferred Contracts include: a propane supply agreement with AmeriGas, trash and recycle services with Republic Services, and a product sale agreement with Central Welding Supply Company, among others. For the full list, see Schedule 2.1(c).

¹⁴ Examples of Transferred Intellectual Property include: To the extent needed to operate the Plant and to the extent owned by Seller, copyrights and works of authorship, as well as trade secrets, business and technical information, databases, tools, methods, etc.; Any intellectual property contained in the Standard Operating Procedures; Any intangible know-how related to ownership and operation of the Plant that is disclosed to the County, learned during the performance the Transition Services Agreement (Exhibit D), or communicated to County by current or former employees. For the full list, see Schedule 2.1(e).

Agreement Section(s)	Provision
	- Copies of all consents, approvals, waivers, and authorizations related to Transferred Permits and Contracts, and as identified in Schedule 3.4(a)(ix). <u>Closing Deliverables – County:</u> At Closing, the County shall deliver to BEW the following: - The Purchase Price (\$70.0 million) and Settlement Agreement (\$5.0 million) by wire transfer, in immediately available funds; - Executed Exhibits B, D, and E; and - The original of the \$500k letter of credit furnished by BEW as security for BEW's compliance with the terms of the PDA [existing amended and updated agreement related to project development and gas sales, dated February 29, 2008, between BEW and the County].
3.4	<u>Conditions Precedent to Closing – County:</u> The obligation of the County to consummate the Closing is subject to the satisfaction (or waiver by the County) of the following conditions. Note that the italicized conditions below are conditions that exist for both the County and BEW. <i>The Lease between BEW and the County related to the Plant's use of County-owned land shall have been terminated, effective as of Closing;</i> <i>The PDA [existing amended and updated agreement related to project development and gas sales between BEW and the County, dated February 29, 2008,] shall have been terminated, effective as of Closing;</i> - BEW has duly performed and complied in all material respects with all agreements and covenants required by the [Purchase] Agreement and associated documents and agreements, prior to, or on, the Closing Date; - The County has entered into an agreement with Puget Sound Energy that would give the County access to the Transfer Line/Northwest Pipeline used for delivery of pipeline quality gas produced by the Plant. Executive staff indicate that they are currently in conversation with PSE and anticipate that the pipeline access agreement will be included in an agreement for the sale of a portion of the product gas to PSE. According to Executive staff, they are aiming to transmit this and other related potential agreements for the sale of the processed gas in the next few weeks, with the goal of having if in effect on September 1st; - The Council shall have adopted the ordinances authorizing the County to execute the [Purchase] Agreement, perform the transactions contemplated by the [Purchase] Agreement, as well as appropriating the funds necessary to pay the purchase price and the agreed-upon settlement amount ("Appropriations Ordinance"); and <i>No action shall have been commenced against BEW or the County that would prevent the Closing or prohibit the transactions contemplated by the [Purchase] Agreement.</i>
3.5	<u>Conditions Precedent to Closing – BEW:</u> The obligation of BEW to consummate the Closing is subject to the satisfaction (or waiver by BEW) of the following conditions. Note that the italicized conditions below are conditions that exist for both the County and BEW. <i>The Lease between BEW and the County related to the Plant's use of</i>

Agreement Section(s)	Provision
	<i>County-owned land shall have been terminated, effective as of Closing;</i> <i>The PDA [existing amended and updated agreement related to project development and gas sales between BEW and the County, dated February 29, 2008,] shall have been terminated, effective as of Closing;</i> <i>The County has duly performed and complied in all material respects with all agreements and covenants required by the [Purchase] Agreement and associated documents and agreements, prior to, or on the Closing Date; and</i> <i>No action shall have been commenced against BEW or the County that would prevent the Closing or prohibit the transactions contemplated by the [Purchase] Agreement.</i>
6	<u>Indemnification</u>: Includes language emphasizing that BEW is offering no warranties, express or implied, regarding the condition of the Purchased Assets or the Plant, the suitability of the Plant for its intended purpose, its merchantability, or other customary warranties offered by the sellers of new equipment.
7	<u>Taxes</u>: Under the proposed Purchase Agreement, the County shall pay all sales and use Taxes levied on the purchaser of assets under Applicable Law (Purchaser Transfer Taxes). Other than Purchaser Transfer Taxes, BEW shall pay all Taxes incurred as a result of the transaction contemplated by the [Purchase] Agreement under Applicable Law, including real property transfer, recording charges, and other similar Taxes. Additionally, the Parties shall allocate the Purchase Price (and all other capitalized costs) among the Purchased Assets for tax purposes in accordance with Schedule 7.5. A Schedule 7.5 was included in the proposed Purchase Agreement, but the document has not yet been completed. Executive staff expect that this Schedule will be provided to the Council on 7/18.
8.1	<u>Confidential Information</u>: The County shall make good faith efforts to keep confidential the information contained in the operating manuals and other materials designated as “proprietary” or “confidential” by Guild Associates. This covenant shall survive the Closing, as further provided in Sec. 8.1. According to Executive staff, Guild Associates is a vendor of the nitrogen removal system used in BEW’s operations.
Exhibit A	<u>Settlement Agreement</u>: The Settlement Agreement, executed by BEW and the County in March 2025, is binding and forms the basis for the Purchase Agreement and other associated agreements included as exhibits. Key provisions from the Settlement Agreement not already discussed in this table include: The Settlement Agreement outlines the terms under which a Due Diligence Period shall occur (Sec. 3.3). During this Period, under the Settlement Agreement, the County assumes full responsibility for all normal and customary plant operating expenses related to the County’s requested operation of the Plant by BEW. This includes the disposal of any dangerous waste contained in the Plant Condensate

Agreement Section(s)	Provision
	produced during the Due Diligence Period. • The Settlement Agreement required the County to place a \$3.0 million Earnest Money Payment into the court registry to be distributed under certain circumstances, as outlined in Sec. 3.4.7 of the Settlement Agreement. • Final dismissal of the Litigation with prejudice will occur upon closing under the Purchase Agreement by King County and payment to BEW of the \$5.0 million payment in settlement of the Litigation (Sec. 3.6.2). • All claims remain disputed as to liability and damages, and the performance of this [Settlement] Agreement does not constitute any admission by the parties (Sec. 4.3).
Exhibit B	<u>Form of Assignment and Assumption Agreement</u>: The transmitted exhibit includes a watermark indicating it is in draft form. This draft agreement, as transmitted, transfers certain contracts entered into by BEW as Plant owner to the County (listed in Schedule 2.1(c)). The County accepts the assignment and assumes all of BEW's duties and obligations under the Transferred Contracts, such as payment for services. Examples of Transferred Contracts include a propane supply agreement with AmeriGas, trash and recycle services with Republic Services, and a product sale agreement with Central Welding Supply Company, among others.
Exhibit C	<u>Form of Bill of Sale</u>: The transmitted exhibit includes a watermark indicating it is in draft form. This draft Bill of Sale, as transmitted, transfers the ownership of the "Tangible Personal Property, as such term is defined in the Asset Purchase Agreement" from BEW to the County. However, Council staff note that "Tangible Personal Property" is not defined in the Purchase Agreement.
Exhibit D	<u>Form of Transition Services Agreement</u>: The transmitted exhibit includes a statement on the cover page indicating it is a draft document and that no legal obligation of any kind will arise until a definitive written agreement is executed and delivered by both parties. In accordance with the Settlement Agreement, this draft transition agreement, as transmitted, provides the terms under which BEW would provide the County with operating assistance for a period not to exceed sixty days following Closing. BEW retains the sole option to decide whether to continue to provide assistance after the sixty days if requested by the County. Under this transition agreement, the County agrees it is responsible for operating and maintaining the Plant during the Assistance Period and that BEW will simply be providing operating assistance at the direction of the County, specifically the Services outlined in Exhibit A to Exhibit D. BEW agrees to not undertake any action for its dissolution prior to the End Date of the agreement and also to use good faith efforts to retain sufficient operating personnel during the Assistance Period. During the Assistance Period, BEW is solely responsible for payment and provision of wages, benefits, and applicable severance, as well as the withholding and payment of employment taxes. The County is required to pay BEW a weekly rate for each person that provides services during the period: Plant Manager \$5,000; Plant Engineer \$3,000; Plant Operators (eight) \$2,000; as well as severance or other associated costs in the event the County

Agreement Section(s)	Provision
	terminates this transition agreement before the sixty days. The transition agreement states that it is the intent of the Parties that the amounts listed above approximate the cost of providing the Services, without any intent to cause BEW to receive net profit or incur loss. The County acknowledges that all existing employees of BEW are not represented by any labor union and that BEW intends to use these employees to provide the Services during the Assistance Period.
Exhibit E	<u>Form of License Agreement:</u> The transmitted exhibit includes a watermark indicating it is in draft form. The license agreement, as transmitted, between King County and Ingenco Holdings, LLC,¹⁵ grants a permanent, royalty-free, non-exclusive, sublicensable right and license to certain patent rights¹⁶ related to the purification of landfill gas into pipeline quality gas and referred to in the Settlement Agreement and Purchase Agreement as the “Palumbo Patent.” Under the license agreement, the license begins on the date the County completes the purchase of the Facility pursuant to the terms of the Asset Purchase Agreement and ends September 24, 2028, which is the date the patent is currently set to expire. The license agreement states that the County acknowledges and agrees that Ingenco does not represent or warrant that the Licensed Patent is sufficient to permit operation of the facility without any potential claims of infringement by third parties. The license agreement further states that any determination concerning the adequacy of the Licensed Patent, and all risks associated with any third-party claims of infringement, are the responsibility of the County. The transmitted exhibit indicates a copy of the Palumbo Patent is provided as Exhibit A to Exhibit E, however, no such copy is included.
Schedules	Schedules 2.1(c), 3.4(a)(ix), and 7.5 all appear to be in draft form and not yet complete. Additionally, Schedule 2.1(e) references Annex 2.1(e)-1, however, no such annex is included.

Outcome of Plant Testing Period (“Due Diligence Period”). As noted previously, the plant ceased operation in 2023. The Settlement Agreement granted a two-month due diligence period, which took place from April 29th to July 4, 2025, during which the County had the right to review information about the plant and plant operation, including the cost of operation and review of all financial records associated with operation and gas sales. During this period, the County also had the right to determine whether the Palumbo Patent described in Figure 2 conferred sufficient intellectual property to operate the plant, as well as have access to the plant to conduct engineering reviews. Additionally, the Settlement Agreement required BEW to operate the plant, consistent with normal commercial practice, for a minimum of seven consecutive days continuously (“Demonstration Period”).

The Recitals in the Purchase Agreement indicate that BEW operated the plant consistent with normal commercial practice for the Demonstration Period. Additionally,

¹⁵ BEW is a fully-owned subsidiary of Ingenco.

¹⁶ U.S. Patent 7,731,779

Executive staff note that both BEW and the County sampled product gas during the Demonstration Period and found that, overall, the product gas quality was sufficient to meet most of the requirements to inject into the interstate pipeline, pending a final access agreement with PSE. According to Executive staff, the County has taken some additional samples to satisfy testing for the remaining constituents and will have the results before closing.

As of the writing of this staff report, according to Executive staff, the County has negotiated an extension of the due diligence period and for BEW to restart the plant to facilitate some additional testing. Executive staff state that “This extension is needed to allow extra time to analyze data that was not collected during the initial demonstration period, which resulted in the need for a subsequent demonstration period.” Specifically, Executive staff indicate that the County is conducting vibration testing, industrial hygiene testing, and ultrasonic testing and the results will be reviewed by the facility condition consultants and County staff.

Executive staff anticipate all final reports to be completed by mid-July.

Environmental Impacts of the Plant. Executive staff indicate that operating the landfill gas processing plant has significant environmental benefits.

Greenhouse Gas Emissions. According to the 2019 Comprehensive Solid Waste Management Plan (“2019 CSWMP”), landfill gas consists of about 50 to 60 percent methane,¹⁷ a greenhouse gas contributing to climate change that is 28 times more potent than carbon dioxide at trapping heat in the atmosphere.¹⁸ The 2019 CSWMP indicates that the remainder of the landfill gas is made up of carbon dioxide and trace amounts of oxygen, nitrogen, and other gases.

Capturing the landfill gas and processing it at the plant allows for its conversion into pipeline-quality, renewable natural gas, producing potentially enough energy annually to meet the natural gas needs of over 17,500 homes in King County. This means that an equal amount of non-renewable energy, such as energy produced by fossil fuels like coal or non-renewable natural gas, does not need to be consumed, which reduces greenhouse gas emissions by about 85,000 metric tons per year.

The alternative to processing the gas is to continue to flare the gas in accordance with the Division’s environmental permits, as has been done since BEW ceased operations. Executive staff state that methane destruction from flaring is typically greater than 99% and Division environmental permits require a 98.5% removal of all non-methane organic compounds, which is achieved by flaring. Executive staff note that flaring reduces, but does not eliminate all greenhouse gasses, as carbon dioxide is still released into the atmosphere; however, it is a less potent greenhouse gas than methane.

Other Air Impacts. Executive staff indicate that BEW operates under three Orders of Approvals to Notices of Construction from the Puget Sound Clean Air Agency (“PSCAA”). According to Executive staff, these Orders allowed the construction and installation of a range of equipment, including 18 diesel engines used for generators.

¹⁷ Ordinance 18893

¹⁸ U.S. Environmental Protection Agency (“EPA”), *Importance of Methane* website [\[Link\]](#).

Under the Purchase Agreement, the three Orders would be transferred to the County. Executive staff indicate they expect them to be folded into the County's existing Title V Air Operating Permit for the landfill at the next renewal.

According to Executive staff, the existing permits require:

- Limits for carbon monoxide, nitrogen gas, volatile organic compounds, formaldehyde and particulate matter emissions from the diesel engines used as generators;
- Reduction requirements for non-methane organic compounds from the waste gas in the thermal oxidizer, as well as maximum flow rate;
- A max flow rate for the candlestick flare (which is described as an emergency flare but with no definition of emergency);
- Limits on plant-wide carbon monoxide emissions per consecutive 12-month cycle; and
- Annual source testing.

Executive staff indicate that it is the County's understanding that BEW has received Notices of Violation ("NOV") from PSCAA related to emissions from its diesel engines prior to 2020. Based on documents reviewed by the County, it appears that BEW has resolved these NOV's to PSCAA's satisfaction. However, BEW has reported that earlier this year, PSCAA communicated that they expected to issue two more NOV's. According to Executive staff, they do not know the substance of the violations, as it appears PSCAA has yet to issue them, and therefore it is unclear if and how they would impact King County as the plant owner. Additionally, Executive staff note that BEW completed its annual stack test during the demonstration period and shared the consultant report with the County on July 8. They indicate that the report is still being reviewed by the County, but the summary results indicate that all measurement was within emission limits.

Council staff inquired about the applicability of the plant to Climate Commitment Act ("CCA") regulations. According to Executive staff, biogas producers are not impacted, and landfills were removed from the CCA after the passage of Washington Engrossed 2nd Substitute House Bill 1663 in 2022,¹⁹ which established a landfill-specific methane-reduction program.

Executive staff have indicated that Section 173-408 of the Landfill Methane Emissions rule could be applicable to the plant, once the County purchases the plant. BEW has conveyed that the Department of Ecology had accepted their argument that the rule did not apply to the facility, as landfill gas is treated by the County prior to being received by the plant. It is unclear whether Ecology would find this argument persuasive if both the plant and the landfill were under the same ownership.

Plant Condensate. Executive staff state that plant condensate, a byproduct of processing the landfill gas into renewable natural gas, is being containerized and hauled offsite by a third-party vendor to be managed as dangerous waste given its arsenic content, as opposed to being discharged into the wastewater system. According to Executive staff, this method for disposal does not require specific regulatory approval as

¹⁹ Session Law, Chapter 179, Laws of 2022

it inherently complies with regulatory requirements. Executive staff indicate that the annual cost to manage plant condensate is approximately \$4.0 million.

Executive staff anticipate continuing to manage the condensate in this way until an alternative pre-treatment system is developed. The Division has a capital project underway to develop a technology that removes arsenic from the condensate and leachate.

Council staff inquired about any potential “PFAS” (Per- and polyfluoroalkyl substances) impacts. Executive staff indicate the levels of PFAS in the condensate are unknown, but any future systems implemented to meet future PFAS requirements for treating landfill leachate are also expected to be able to treat the condensate from the plant.

Other Environmental Impacts. According to Executive staff, there are no anticipated environmental impacts of the plant related to wastewater, groundwater, or stormwater.

Planned Startup. According to Executive staff, the County intends to have a third-party operator on board by the closing date and expects the plant to be operational shortly after the Purchase Agreement is executed. Executive staff indicate that the three firms that the County is considering are all experienced operators that have multiple sites, so they would be able to augment local staff with experienced operators, technicians, and supervisors during stand up of new operations.

Council staff inquired if any of the three third-party operators being considered use unionized labor. According to Executive staff, “The County does not have any information about this at this time. BEW does not currently have union labor at the plant. The Solid Waste Division does not intend to mandate unionized labor by a third party, unless required to by standard County processes related to labor.”

Executive staff note that the following high-level actions would need to occur before full plant operation, following execution of the Purchase Agreement:

- *Council approval of a Biomethane Purchase and Sale Agreement between King County and Puget Sound Energy:* Executive staff are expecting that a portion of the renewable natural gas would be sold to PSE and that this gas sales agreement will be ten years in duration and will include a fixed price for environmental attributes, plus the market price for the gas volume;
- *Execution of Management, Maintenance, and Operations Agreement with the selected third-party operator:* At this time, Executive staff does not anticipate that this operator agreement will need Council approval.
- *Council approval of a Potential Environmental Attributes Agreement between King County and Anew:* According to Executive staff, the County is also in negotiation with Anew, which is the same broker that the Wastewater Treatment Division uses to sell its renewable natural gas. Executive staff indicate that an agreement with Anew to sell the landfill gas may be transmitted if certainty of access to the historically-more-lucrative transportation fuel market can be guaranteed.

- **Potential Environmental Attributes Agreement:** According to Executive staff, the County is in negotiations with a vendor, Karbone, to develop a contract that will provide flexibility for the County to transact additional environmental attributes not under contract to PSE through multiple markets based on market conditions. Executive staff anticipate that this contract will have a set fee structure based on the different markets.

Executive staff are anticipating transmitting potential purchase and sale agreements for the processed gas in the next few weeks, with the aim that they can be in effect on September 1st.

PO 2025-0177 – Supplemental Budget Appropriation PO 2025-0158 – Bond Issuance Authority
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As noted previously, these two ordinances are not in front of the committee today for action but as they relate to the acquisition of BEW's landfill gas processing plant are being discussed in this staff report. Both items were voted out of the July 9th BFM meeting and final action is tentatively scheduled for the July 15th.

Proposed Ordinance 2025-0177 would appropriate approximately \$91.9 million to support the acquisition and future operation of the landfill gas processing plant, as well as the costs to settle the litigation. Figure 3 provides a breakdown of the proposed appropriation.

Figure 3.
Details on Proposed Appropriation Related to BEW Plant Acquisition

Operating or Capital	Fund	Appropriation Description	Amount (\$)
Operating	Solid Waste Operating	Cost to settle litigation under the Settlement Agreement	\$5,000,000
Operating	Solid Waste Operating	Appropriation covers: • Anticipated operating costs from September through December 2025, including condensate disposal: \$2,483,284 • Due Diligence and startup costs: \$1,000,000 • Debt service: \$1,837,500	\$6,902,446
Capital	Solid Waste Construction	Cost to acquire the landfill gas processing plant under the Purchase Agreement	\$70,000,000
Capital	Solid Waste Construction	Supports major renewal and rehabilitation projects at the landfill gas processing plant	\$10,000,000
TOTAL			\$91,902,446

Purchase Price and Financing. As noted previously, the Purchase Agreement establishes the purchase price of the plant at \$70 million.

According to budget materials provided with the appropriation ordinance, the Division will initially use commercial paper to fund the cost of acquisition, before issuing Limited Taxable General Obligation bonds in the Fall. These budget materials further state that the Division is working with bond counsel to determine whether taxable or tax-exempt bonds would be more appropriate. Executive staff indicate the bond term is expected to be 20 years. According to Executive staff, annual debt service for both acquisition and planned rehabilitation of the plant are estimated at approximately \$7.5 million.

A separate ordinance, **Proposed Ordinance 2025-0158**, would provide for additional County bond issuance authority for the acquisition and improvements of the landfill gas processing plant, as well as other projects proposed to be bond funded in the 2025 1st omnibus budget ordinance.²⁰

Estimated Taxes Resulting from Acquisition. According to Executive staff, they expect the County will pay sales tax on the personal property and BEW will pay the real estate excise tax, as a result of the transaction. Executive staff indicate there is a state exemption from sales tax for manufacturing equipment and it is expected that a significant portion of the personal property will fall under this exemption.

However, as noted previously, Schedule 7.5 to allocate the purchase price and all other capitalized costs among the purchased assets for taxed purposes is not yet complete. Therefore, the total tax burden resulting from the transaction that will be incurred by the County is unknown and is expected to be additional to the purchase price of \$70 million.

Proposed Capital Improvements for the Plant. The supplemental budget appropriations ordinance would appropriate \$10 million to support major renewal and rehabilitation projects at the landfill gas processing plant. Budget materials indicate that this appropriation will allow for the Division to quickly address necessary maintenance projects, as well as plant enhancements. According to budget materials, possible projects include: repair/replacement of the building envelope, environmental control/containment, and equipment/infrastructure, upgrades to existing controls or equipment that could improve plant efficiency or regulatory compliance, and projects to provide better integration between the plant and the landfill gas infrastructure.

Estimated Costs to Operate Plant. Materials with the supplemental budget ordinance indicate that the estimated cost to operate the plant is approximately \$12 million annually. According to Executive staff, this includes the cost of condensate disposal and an estimate for the third-party operator fee, which would be established in the operator agreement that has yet to be finalized.

Estimated Revenue. The Division's financial plan, provided as Attachment 4 to the staff report, projects that the sale of the landfill gas and the associated environmental attributes will generate approximately \$53.8 million in revenue in the 2026-2027 biennium and \$52.7 million in 2028-2029.²¹ No revenues are assumed for 2025.

²⁰ Proposed Ordinance 2025-0159

²¹ For context, during the period in which BEW's plant was operating, the Solid Waste Division received revenue from both the sale of the landfill gas and the environmental attributes ranging from \$1.0 to \$7.0 million per year, depending on production rates and the market price, according to the 2019 CSWMP.

According to Executive staff, the revenue estimates are based on the forecast for gas and pricing for the environmental attributes completed by an outside consultant. For context, Executive staff indicate that the majority of the revenue is expected to come from the sale of environmental attributes, with the gas sales making up only approximately 10%.

As noted previously, Executive staff are in the process of negotiating agreements for the sale of the renewable natural gas produced by the plant and environmental attributes associated with the landfill gas, so the exact pricing has not yet been determined.

Council staff inquired about the both the stability of the volume of renewable natural gas produced, as well as the gas and environmental attributes markets. Executive staff note that the revenue will vary based on market price and gas volumes and that both gas and environmental attributes are volatile commodities. Therefore, the market may shift over time. However, Executive staff indicate that the anticipated ten-year duration of the contract being negotiated with PSE and the fixed price for environmental attributes will allow the County to hedge against market fluctuations.

Landfill Gas Collection Data and Potential Impacts on Generation/Collection. Revenues for landfill gas are a function of the pricing structure, as agreed upon in future contracts, and also the amount of landfill gas generated by the waste in the landfill and the efficiency of the gas collection system.

Executive staff provided historical data on the landfill gas collected by the collection system at Cedar Hills, provided in Figure 4. This data demonstrates that, at least for the ten-year period shown, the annual volume of gas collected has fluctuated over time. According to Executive staff, there is no single cause identified for the reduction in collection of landfill gas, but several actions have been undertaken or are planned to improve collection infrastructure.

Figure 4.
High, Low, and Average Landfill Gas Flow Rate and Annual Gas Collection at
Cedar Hills Landfill
2014 - 2024

SCFM = Standard cubic feet per minute
SCF = Standard cubic feet

Year	Gas Volume Flow – Avg. (SCFM)	Gas Volume Flow - High (SCFM)	Gas Volume Flow – Low (SCFM)	Total Annual Volume Collected (SCF)²²
2014	10,483	10,953	9,876	3,256,288,621
2015	10,465	11,400	9,631	3,311,464,837
2016	10,844	11,175	10,555	3,503,215,207
2017	10,445	11,341	9,793	4,245,384,894
2018	10,718	10,905	10,403	4,454,036,249
2019	10,412	11,046	10,246	4,469,414,113
2020	9,020	10,241	8,069	3,922,261,953
2021	7,798	8,117	7,239	3,337,953,044
2022	7,772	8,046	7,572	3,364,785,010
2023	7,353	7,609	7,097	3,517,530,889
2024	7,815	7,998	7,479	3,603,068,612

The amount of methane, which is 50-60% of landfill gas by volume,²³ that is generated depends on several factors, including the amount of organic waste that is disposed, as methane is the result of organic waste decaying under anaerobic conditions (without oxygen).²⁴ The most recent available waste characterization study completed by the County indicates that various organic materials, such as paper, food waste, and wood/yard waste, make up approximately 61% of disposed waste overall.²⁵ Both Washington State, via the Comprehensive Organics Management Law of 2022 and 2024,²⁶ and the County, through its Re+ programming, are concurrently engaged in a targeted efforts to reduce organic materials, and food waste in particular, from being disposed at landfills.

As these efforts are ongoing, it is unknown what the actual impacts will be over the long-term time horizon on overall annual tons disposed at the landfill, the proportion of organics waste annually disposed over time, and how these factors may influence the potential volume of landfill gas generation and collection, and the associated revenues.

Financial Outlook. According to budget materials, the Division is anticipating a net revenue of \$5 million annually after expenditures. Executive staff note that in their model, the Division assumed no revenue until 2026 and used a conservative assumption to mitigate the financial impacts of a delay in closing. The projected net revenue, according to Executive staff, includes the cumulative estimated revenue and expenditures for the period 2025-2027 and includes the one-time payment of \$5 million in settlement costs.

Executive staff expect that the debt service will be supported by the revenue generated

²² Executive staff indicated the unit of measurement for the annual gas volume collected is SCFM, however, Council staff think this may have been an error as it is a total volume rather than flow rate.

²³ 2019 CSWMP

²⁴ U.S. EPA, *Quantifying Methane Emissions from Landfilled Food Waste* [\[Link\]](#)

²⁵ 2022 King County Waste County Waste Characterization and Customer Survey Report [\[Link\]](#)

²⁶ For more information, see the 2024 Organics Management Laws – Focus Sheet [\[Link\]](#)

from the sale of gas and environmental attributes such that the County should break even on its initial investment in 2035. With the rehabilitation and improvement projects proposed in the supplemental budget ordinance, Executive staff state that the estimated life of the plant is through 2045.

Council Considerations and Time Constraints

Council Considerations. This package of legislation in front of the Council related to the acquisition of BEW's landfill gas processing plant to settle the ongoing litigation constitutes a complex, multi-million-dollar transaction that has required a series of interrelated agreements to be negotiated with BEW and their owner, Ingenco. Further agreements with other entities (e.g., PSE, Anew, third-party operator) will need to be negotiated and executed for the plant to be operational and begin revenue generation. Given the work expected that is yet to be completed, there remain some unknowns and uncertainties for the Council to consider:

- *Extended due diligence period is not yet complete:* Because the Executive staff concluded more information regarding plant operations was necessary, the Due Diligence period has been extended, with reports of the findings from additional testing and operation expected to be available in mid-July.
- *Final version of the Purchase Agreement expected to be available just prior to 7/15 TrEE meeting, except for Schedule 7.5:* At the time this staff report was prepared, the final version of the Purchase Agreement has not yet been provided. Executive and PAO staff have indicated that the corrections noted by Council staff and Council legal counsel will be addressed in the final version of the Purchase Agreement, which is expected to be provided to the Council on 7/14, with the exception of Schedule 7.5 concerning tax allocation. Council staff anticipate being able to provide information on the differences between the transmitted and final versions during the briefing at the 7/15 TrEE Committee.
- *Estimated taxes to be paid by the County from the proposed acquisition is currently unknown:* According to Executive staff, the tax allocation schedule described in this staff report will not be available. Therefore, the estimated tax burden the County would incur from the proposed acquisition is currently unknown and is expected to be additional to the purchase price of \$70 million. An estimate should be available following completion of the schedule, which is expected to be provided on 7/18.
- *Some potential uncertainty related to revenue estimates:* Executive staff are in the process of negotiating potential agreements for the sale of the renewable natural gas and associated environmental attributes expected to be produced by the plant, so the exact pricing has not yet been finalized. Therefore, given this and the volatility in the energy market, there is some potential uncertainty in the actual revenue that would accrue to the County in the near-term.

Further, some uncertainty may also exist in terms of the long-term revenue potential, as both Washington State and the County engage in targeted efforts to further divert organic wastes and food wastes from being disposed. Methane,

which is 50-60% of landfill gas by volume,²⁷ is generally the result of organic waste decaying under anaerobic conditions (without oxygen).²⁸ However, as noted previously, estimated revenues are not the only factor upon which Executive staff are justifying the acquisition, as they also note the environmental benefits and the resolution of the litigation.

Under the Settlement Agreement, if the transaction does not close for any reason by the deadline of August 29, 2025, absent an extension agreed upon by both parties, the litigation shall promptly proceed to trial, as determined by the Court.

It is a policy decision of the Council to determine whether any existing uncertainty with regard to potential revenues, the estimated tax burden to the County resulting from the transaction, the outcome of the extension of the due diligence period, or other current unknowns are outweighed by the environmental benefits and resolution of the litigation.

Time Constraints. As noted previously, the Purchase Agreement states that closing shall take place on or before August 29, 2025. Executive staff have requested Council take final action on both the Purchase Agreement ordinance (PO 2025-0176) and make the appropriations requested in the supplemental budget ordinance (PO 2025-0177), if possible, in July before the August Recess in order for the ordinances to be effective prior to the Closing Deadline.

If the Council wishes to meet Executive staff's timing request, assuming regular meetings only, PO 2025-0176 would need to be voted out of the 7/15 TrEE committee and expedited to the 7/22 full Council meeting. Final action would need to occur at the 7/22 Council meeting, as it is the last regular Council meeting prior to the August Recess.

AMENDMENT

Council staff will prepare an amendment that would replace the transmitted Purchase Agreement in PO 2025-0176 with a final version to be provided by Executive staff.

Council staff will email the amendment to Councilmembers when it is ready.

²⁷ 2019 King County Comprehensive Solid Waste Management Plan

²⁸ U.S. EPA, *Quantifying Methane Emissions from Landfilled Food Waste* [\[Link\]](#)