

EXHIBIT C

AGREEMENT

FOR

GAS COLLECTION AND CONTROL SYSTEM

OPERATION AND MAINTENANCE SERVICES

BETWEEN

COUNTY OF SHASTA

(“County”)

AND

[_____]

(“Company”)

[_____, 2017

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This Gas Collection and Control System Operations and Maintenance Services Agreement (“GCCS O&M Agreement”) dated as of [____], 2017 is between [____] (“Company”), and County of Shasta, a political subdivision of the State of California (“County”), regarding Company’s responsibilities for operations and maintenance (“O&M”) of the gas collection and control systems (“GCCS”) at the County of Shasta West Central Landfill (“Landfill”). County and Company are sometimes referred to herein individually as a “Party” and collectively as the “Parties”.

1 Background And Defined Terms

1.1 Background

County owns and controls the GCCS located at the Landfill located at 14095 Clear Creek Road, Igo, CA 96047. Company, under a Landfill Gas Energy Agreement (“Energy Agreement”) and Site Lease Agreement with County, has committed to operating and maintaining the GCCS in accordance with the Energy Agreement and in accordance with applicable local, state and federal regulations. By this GCCS O&M Agreement, the Parties desire to have Company provide the GCCS O&M services to County. The GCCS O&M services to be provided will be as defined in this GCCS O&M Agreement.

1.2 Defined terms

As used in this Agreement, (i) neutral pronouns and any derivations of them shall be deemed to include the feminine and masculine and all terms used in the singular shall be deemed to include the plural and vice versa, as the context may require; (ii) the word “**including**” is not intended to be exclusive and means “including without limitation”; (iii) the word “**days**” means “calendar days,” unless otherwise stated; (iv) “**Section**” refers to sections and subsections in this Agreement; (v) descriptive headings are inserted for convenience of reference only and do not constitute a part of and shall not be used in interpreting this Agreement; (vi) all capitalized terms used but not defined in the body of this Agreement shall have the meanings set forth in Exhibit A of the Energy Agreement; and (vii) each of the Exhibits to this Agreement are incorporated in this Agreement by reference.

2 Description Of Services

2.1 Routine O&M Services

All Routine O&M Services shall be provided by Company to County at no cost as additional consideration for the obligations of County under the Energy Agreement. The following tasks are deemed to be Routine O&M Services for purposes of this Agreement:

2.1.1 Shutdowns

The shutdown of any portion of the GCCS as needed to carry out the other tasks defined in this Section or in the event of any Emergency, and the prompt notification to County’s designee by phone of any such shutdown.

2.1.2 Startups

The startup of any portion of the GCCS following a shutdown needed to carry out the other tasks defined in this Section or following an automatic shutdown or Emergency, but only at such time as the cause for the automatic shutdown or Emergency has been resolved and it is safe to resume GCCS operation.

2.1.3 Troubleshooting

The investigation of the GCCS required to determine the root cause of automatic shutdowns, Emergency situations or unsuitable operation of the GCCS. In the event that troubleshooting reveals concerns that can be handled via Routine O&M Services the results of troubleshooting shall be

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included in the monthly report for the subject month. Where troubleshooting reveals concerns that cannot be addressed via Routine O&M Services the results of the troubleshooting shall be reported to the County in a timely manner.

2.1.4 Minor Repairs or Upgrades

The making of minor or interim repairs or upgrades that do not require a material modification to the operating schedule of the GCCS, and do not constitute capital expenditures, including labor and materials, greater than \$500 in total for all repairs in a single month, and the recording of such repairs in a log. Such minor repairs include: but are not limited to, the repair or replacement of coupling links, piping interconnections, seals, filters, valves, gaskets, sampling ports, and all other components of the GCCS required for proper function of the GCCS.

2.1.5 Hosting of Governmental Authorities

The prompt forwarding of any correspondence regarding the GCCS, and the hosting (with a representative of County) of any governmental authority requesting access to the GCCS.

2.1.6 County Notifications

- a) Notifying County in a timely manner of any material and persistent degradation of the methane concentration in gas produced by the GCCS, or any inability to maintain targeted flows or pressures.
- b) Notifying County of the potential need for any Non-Routine O&M Services.

2.1.7 Wellfield Monitoring

Monitoring, adjustment, and recording of pipeline and gas input pressures and methane concentrations into and out of the Wellfield. Such monitoring, adjustment, and recording shall occur no less than once per month and shall include the following: methane, carbon dioxide, and oxygen content, temperature, and applied vacuum both before and after adjustment at each Well. Monthly Wellfield adjustment reports shall be provided as described in Section 2.3

2.1.8 GCCS Component Leak Monitoring

The regular monitoring of GCCS components containing LFG under positive pressure in accordance with Applicable Law and Permits.

2.1.9 Liquid Level Monitoring

Management and periodic monitoring of liquid levels based upon Wellfield indications, including Condensate, within the GCCS including: sumps, low points, Condensate storage tanks, and in certain cases, Wells. If, in the reasonable judgment of the Company and County, liquid levels within certain Wells or locations within the GCCS have increased potential for blocking or limiting the flow of LFG in the GCCS, such Well or location may require, under mutual agreement between Company and County, monthly reporting of liquid levels as described in Section 2.3.1.

2.1.10 Condensate Sump Maintenance

The performing of any maintenance, repairs, or adjustments required to allow proper operation of GCCS sumps so long as such work constitutes minor repairs as described in Section 2.1.4.

2.1.11 Pump Maintenance

The performing of any maintenance, repairs, or adjustments required to allow proper operation of GCCS Condensate pumps so long as such work constitutes minor repairs as described in Section 2.1.4.

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2.1.12 Air Compressor Maintenance

The performing of any maintenance, repairs, or adjustments required to allow proper operation of the air compressor used to supply air to the Condensate handling system so long as such work constitutes minor repairs as described in Section 2.1.4.

2.1.13 Blower/Flare Station Maintenance

- a) The performing of any maintenance, repairs, or adjustments to the blower skid, flare, Condensate injection system, and Condensate storage systems as required so long as such work constitutes minor repairs as described in Section 2.1.4.
- b) Adjustment of blower skid and flare programmable set points from the Blower/Flare Station human-machine-interface (HMI) screen, as required to optimize operation of the GCCS, blower skid, and/or flare.
- c) Calibration and maintenance of Blower/Flare Station instrumentation per manufacturer's instructions including periodic replacement of calibration gas.

2.1.14 Blower/Flare Station Modification And New Flare

The modification of the Blower/Flare Station as necessary to accommodate a new flare as may be required by Section 4.08 of the Energy Agreement and the installation, maintenance and repair of any such new flare.

2.1.15 Condensate Destruction and/or Disposal

Destruction or disposal of all Condensate generated by the GCCS. Company may destroy the Condensate utilizing the flare's existing Condensate injection system or by means of a separate Condensate destruction system installed in conjunction with the Plant by Company or by offsite disposal. Condensate handling and disposal must be done in compliance with all applicable permits, laws, and regulations. Reintroduction of the Condensate into the Landfill or disposal to the facility's existing leachate system is prohibited.

2.1.16 Reporting

Provision of monthly and annual reports to County as described in Section 2.3 and 4.2.

2.1.17 Inventory Stocking

Purchase of Supplies necessary for proper operations of the GCCS under Prudent Operating Practices that constitute capital expenditures of less than \$500 for all Supplies in a single month.

2.1.18 Notification Requirements

For the purposes of this Agreement, the terms "prompt" or "timely" notification by Company shall mean a time period that provides sufficient notice to County to take action in connection with such notice, not to exceed three (3) Business Days in the event of a non-emergency situation or twenty-four (24) hours in the event of an emergency situation.

2.2 Non-Routine O&M Services

All Non-Routine O&M Services shall be provided by Company to County as Reimbursable Expenses as outlined in Section 1 and Section 5.2 of this Agreement. The following tasks are deemed to be Non-Routine O&M Services for purposes of this Agreement:

2.2.1 Non-Routine Normal Repairs or Upgrades

The making of repairs or upgrades that require either a material modification to the operating schedule of the GCCS, or constitute capital expenditures, including labor and materials, greater than \$500 in

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total for all repairs in a single month, but not greater than \$5,000 for all repairs in a single month, and the recording of such repairs in a log. Except in an Emergency, Company shall obtain County's written consent prior to making Non-Routine normal repairs.

2.2.2 Non-Routine Major Repairs or Upgrades

The making of repairs or upgrades that require either a material modification to the operating schedule of the GCCS, or constitute capital expenditures, including labor and materials, greater than \$5,000 in total for all repairs in a single month. Such repairs shall require submittal and written approval of a Change Order with the County.

2.2.3 GCCS Replacement, Upgrades, or Expansion

The replacing, upgrading, or expansion of GCCS piping, equipment, instrumentation, Wells, or Wellheads, subject to Sections 2.2.1 and 2.2.2, with the express purpose of one of the following: improving collection efficiency, expanding the Wellfield into newly covered or underperforming areas of the Landfill, or modifications of the Wellfield required by County for landfill operations.

2.2.4 Blower/Flare Station Repairs and Upgrades

The making of repairs or upgrades to Blower/Flare Station equipment, subject to Sections 2.2.1 and 2.2.2, and including repairs or upgrades to: blower skid equipment, blower skid instrumentation, PLC programming, flare equipment, flare instrumentation, Condensate injection equipment, Condensate storage equipment, and Condensate management equipment. Such repairs or upgrades shall also include the replacement of consumable materials such as instrumentation calibration gas and propane pilot fuel.

2.2.5 Excavation, Clearing, Grading, Backfill, or Compaction

The excavation, clearing, grading, backfill, or compaction of soils, refuse, gravel, or other materials at the Facility.

2.2.6 Permit Related Fees or Services

Assistance with obtaining, developing, maintaining, or renewing any compliance documents, plans, or Permits. Such responsibilities will generally be the responsibility of County as described in Section 3.9, except in the case of County requesting Company to assist with such services as a part of Non-Routine O&M Services. Company shall be responsible for providing compliance reports to County, as described in Section 2.3, as a part of Routine O&M Services.

2.2.7 Utility Costs or Fees

Payment of any utility costs or fees involved in the normal operations of the GCCS. Such responsibilities will generally be the responsibility of County as described in Section 3.6, except in the case of County requesting Company to assist with such services as a part of Non-Routine O&M Services.

2.2.8 Inventory Stocking

Purchase of Supplies necessary for proper operations of the GCCS under Prudent Operating Practices that constitute capital expenditures of greater than \$500 for all Supplies in a single month. All Supplies purchases of more than \$5,000 in a single month shall require an County approved Change Order.

2.2.9 Laboratory Analysis of LFG

The performing of any gas analysis work through the laboratory which is regularly used by County in connection with its operation of the Landfill, or such other laboratory that is agreed upon by the

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Parties, involving: the removal of a sample of LFG from the GCCS, the transportation of such sample to such laboratory, and the analysis work performed on such sample by the laboratory.

2.2.10 Projects Undertaken Solely for the Benefit of Company

Notwithstanding anything to the contrary in this Agreement or any of the agreements between the Parties, County shall not be responsible to pay for costs of upgrades, modifications, replacement, or other projects undertaken solely for the benefit of Company.

2.2.11 Prevailing Wages

To the extent that any Non-Routine O&M Services are provided to repair or maintain capital assets of the County, such services will be subject to prevailing wages and Company will comply with all California prevailing wage laws.

2.3 Reporting Services

2.3.1 Monthly Reporting

Company shall submit to County as a part of the Routine O&M Services, monthly reports for the month most recently completed, as described in Section 4.2.2, regarding the operation of the GCCS which will include the following information:

- a) Wellfield monitoring reports that identify methane, carbon dioxide, and oxygen content, temperature, and applied vacuum at each Well.
- b) Blower/Flare Station monitoring reports that identify historical data for GCCS flow, GCCS vacuum, methane, carbon dioxide and oxygen content of LFG processed by the Blower/Flare Station, blower operating hours for each blower, and flame arrestor delta pressure. If County requests any such monitoring be on a continuous basis, County shall provide and install the necessary meter and other monitoring equipment (or pay for the same).
- c) Results of component leak monitoring, if completed during the subject month.
- d) Historical data for methane, carbon dioxide, and oxygen content, and flow rate delivered to the Plant during the subject month. Carbon monoxide measurements shall be used as indication of a subsurface oxidation event.
- e) Condensate and liquid level monitoring reports for the Condensate handling system and those Wells and locations determined to have increased potential for blocking or limiting the flow of LFG in the GCCS as described in Section 2.1.9. Condensate handling system monitoring reports shall include volume of Condensate destroyed or disposed of since previous report, pneumatic Condensate pump counter readings, pneumatic Condensate pump air pressure, and air compressor operating hours.
- f) A log of Routine O&M and Non-Routine O&M services performed.
- g) An electronic copy of the GCCS data logger file for the reporting month in both the original file format and compiled into a Microsoft Excel spreadsheet format.
- h) Planned Routine O&M Services to be performed in the month following that month which is being reported.
- i) Planned Non-Routine O&M Services to be performed in the month following that month which is being reported.

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- j) Visitor logs for the GCCS and Plant from the previous month per Section 2.9.

2.3.2 Annual Reporting

Company shall submit to County annual reports, as described in Section 4.2.3, regarding the operation of the GCCS for the Operating Year most recently completed including:

- a) The annual Operating Year report described in Section 4.2.3.
- b) Summary Wellfield trending analysis for the most recently completed Operating Year based on monthly data collected as described in Section 2.3.1 (a).
- c) Plant trending analysis based on monthly data collected as described in Section 2.3.1 (d).
- d) Blower/Flare Station trending analysis based on monthly data collected as described in Section 2.3.1 (b).
- e) Condensate and liquid level trending analysis based on monthly data collected as described in Section 2.3.1 (e).
- f) A summary report of all Non-Routine O&M Services, including capital improvements, performed for the most recently completed Operating Year
- g) Planned repairs to be performed as a part of Routine O&M Services throughout the course of the upcoming Operating Year.
- h) Planned Non-Routine O&M Services to be performed for the upcoming Operating Year.

2.3.3 Environmental Monitoring and Compliance

Company shall perform and be responsible for all environmental monitoring, testing and reporting relating to the GCCS as required under any Governmental Approvals and/or Applicable Law, including, without limitation, monitoring, testing and reporting required by rules, orders, regulations or other requirements of the County of Shasta, California Environmental Protection Agency (“EPA”), Shasta County Air Quality Management District and/or the United States EPA. In addition to the reporting requirement under Section 4.2.5, Company shall promptly notify County of any failure of any of the GCCS to meet the emissions permit requirements, and Company shall promptly correct such deficiencies, including, if requested by County, shutdown of the GCCS. If there is a Change In Law or a change in Governmental Approvals after the Effective Date pertaining to environmental monitoring, testing and reporting relating to the GCCS, Company may remain responsible for complying with the changed Applicable Laws and/or Governmental Approvals but Company may request a Change Order in accordance with Section 4.3 of this Agreement if such Change In Law or change in Government Approvals imposes material additional costs on Company in its performance of the Services but only to the extent the Change Order reflects the direct and actual costs resulting from the Change in Law or Government Approvals.

3 Emergency

In the event of an Emergency, Company shall take such action as may be reasonable and necessary to prevent, avoid or mitigate any injury to individuals, damage or loss to property and shall, as soon as practicable, report to County any such incident, including Company’s response thereto. In any event, Company’s notification of an Emergency shall not be longer than 15 hours after such incident. Company shall perform Emergency services in strict accordance with all manufacturer’s instructions, County’s reasonable instructions, if any, and Applicable Law with respect to each item of equipment or other

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component of the GCCS. In the event Company determines that the scope of services and costs required to respond to an Emergency will be significant, Company shall take only such action as is necessary to secure the condition and ensure that no hazard or endangerment remains and, thereafter, shall implement the services only if authorized by County in accordance with a Change Order under Section 4.3.

3.1 Standards for Performance of Services

3.1.1 Services

Company shall perform the Services in all respects, in accordance with: (i) the applicable Annual Operating Plan; (iii) Applicable Law, Governmental Approvals, Permits and Facility safety rules and regulations; (iv) Prudent Operating Practices; and (v) the requirements of all warranties and guarantees applicable to the GCCS provided by or through the County, Company, subcontractors, vendors, suppliers, manufacturers or others and timely given to Company. Without limiting the foregoing, Company shall use its commercially reasonable efforts to perform the Services in such manner so as to: (a) optimize the useful life of the GCCS, (b) maximize the GCCS's collection of LFG, (c) minimize the GCCS downtime and disruption, (d) subject to the rates, charges and fees otherwise contained herein, minimize the costs to County, and (e) avoid conditions in the operation, repair or maintenance of the GCCS that would increase the risk of environmental degradation; provided, Company will not be required to incur additional costs if such efforts would exceed Prudent Operating Practices and the services contemplated hereunder.

3.1.2 Personnel

Each Company's personnel shall be qualified, licensed to the extent required by law and experienced in the duties assigned and consistent with qualification and experience which are typical for personnel operating and maintaining facilities like the GCCS. Company shall retain sole authority, control and responsibility with respect to Company's personnel in connection with the performance of the Services but shall notify County of personnel that have been designated as assigned to the operation and provide resumes of those individuals. County shall be apprised of any future changes and provide supporting resumes of any new operators. Company shall comply with all Applicable Laws relating to labor and employment and shall exercise control over labor relations regarding its personnel in a reasonable manner consistent with the intent and purpose of this Agreement. Further, Company shall comply with County's published drug testing policy, as adopted from time to time and furnished to Company, and shall apply the same policy to Company's personnel deployed at the Facility. County shall have the right in its sole discretion, with justifiable cause, to compel Company to remove (but not to terminate) any of Company's personnel deployed at the Facility from the Facility and to replace such removed personnel with qualified personnel.

3.1.3 Subcontractors

Company shall not employ any subcontractors to perform any part of the Services without the prior written consent of County, which consent shall not be unreasonably withheld. The employment of any such subcontractors shall not diminish Company's responsibilities hereunder. Without limiting the foregoing, Company shall be responsible for all acts, omissions, materials and workmanship of any subcontractors, and shall cause all subcontractors to comply with the generally accepted standards of care ordinarily exercised by members of the subcontractors' professions as well as any applicable requirements of the agreements between the Parties related to the Services to be performed by Company.

3.1.4 Coordination and Communication

Company and all of its employees, agents and subcontractors shall coordinate performance of the Services, including the scheduling and performance of maintenance and repairs, with the County,

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including the manager of the Facility, and contractors of County, and shall avoid, to the maximum extent possible, interfering with the County's operations at the Facility. Without limiting the foregoing, Company shall coordinate with all County's Operators who perform work at the Facility. Company shall promptly inform County of any communication received by Company from any federal, state or local agencies or other persons or entities relating to the Facility, GCCS and/or the Services and shall promptly forward to County all written documents and correspondence received by Company from such governmental entities or other persons relating to the Facility, GCCS and/or the Services. Company shall reasonably cooperate with County in meeting its obligations under Section 3.9, including providing reasonably requested information required for obtaining and maintaining Permits.

3.2 Required Approvals

Company shall obtain, at its expense, all Governmental Approvals required to be in the name of Company to allow it to do business in the jurisdictions where the Services are to be performed and to perform the Services.

3.3 Review Of LFG Energy And Site Lease Agreements

Company has reviewed the Energy Agreement and Site Lease Agreement. By execution of this Agreement Company represents and acknowledges that Company's requirements, obligations, and compensation incorporated in this Agreement are, from the Company's perspective, consistent with the Energy Agreement and Site Lease Agreement.

3.4 Training

Company shall provide training to all Company's personnel and subcontractors relating to the operation and maintenance of the GCCS. On an ongoing basis throughout the term of this Agreement, Company shall conduct training of Company's personnel and subcontractors as necessary or appropriate for new personnel and for refresher training. If County reasonably determines that the training by Company is inadequate, then Company, at no cost to County, shall either: (i) provide supplemental training or (ii) secure additional training from a qualified third party.

3.5 Operation

As of the Commercial Operations Date (or such earlier date as may be agreed to by County and Company), Company shall have care, custody and control of the GCCS and shall operate the GCCS seven (7) days per week, twenty-four (24) hours per day. It is understood by the Parties to this Agreement that the GCCS will be unattended for certain periods as established in the Annual Operating Plan, that is, Company's personnel will not be at the GCCS twenty-four (24) hours per day or every day. Unattended operations, however, shall not relieve Company of any of its obligations or responsibilities under this Agreement.

Company shall maintain a log of visitors or other outside personnel physically present at the site other than County's employees or invitees and distribute to County monthly.

3.6 Warranty and Insurance Claims

Company shall notify County as soon as reasonably practicable of any material defect or deficiency in the GCCS discovered by Company. The prosecution of all warranty claims shall be controlled by the County. County shall not hold Company responsible for any lost revenues associated with a warranty claim. Company shall assist County in any claims against any insurance carrier for payments of claims, liabilities or losses in connection with the GCCS or operations covered by such insurance.

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3.7 Procurement and Inventories

Within ninety (90) Business Days after the Effective Date, Company shall develop, prepare and implement an inventory control and tracking system for Supplies for the GCCS. Throughout the term of this Agreement, Company shall purchase and procure all Supplies necessary for the safe and effective operation and maintenance of the GCCS, as described in Sections 2.1.17 and 2.2.8. Supplies procured for the GCCS shall be of a quality equal to, or better than, those materials and parts originally stocked, used or installed in the GCCS. Company shall ensure that an inventory of Supplies is maintained at the Facility in sufficient quantity to ensure that delays resulting from shortages shall be avoided or minimized to the maximum extent practicable. As a guideline, such inventory shall be in accordance with the dictates of experience and Prudent Operating Practices and shall be subject to such reasonable modifications as are consistent with Prudent Operating Practices and the operating experience of Company. Required Supplies shall be owned by County (along with any other Supplies paid for by County hereunder).

3.8 Recordkeeping

Company shall maintain accurate and complete operating records, maintenance reports and metering data for the GCCS. Company shall cooperate with County's accountants and auditors in the preparation of County's periodic financial statements and reports and shall provide and documents and/or records reasonably requested by County for preparation of such reports by County.

3.9 Hazardous Materials Disposal

Company as County's agent shall, at County's sole direction, cost and expense, dispose of solid and liquid waste and Hazardous Materials generated by or at the GCCS in accordance with Applicable Law. Any subcontractor hired to dispose of Hazardous Materials shall be competent, insured, and licensed in accordance with Applicable Law. County will obtain site EPA ID for disposal.

3.10 Condensate Destruction/Disposal

Company, at its sole cost and expense, shall destroy/dispose of Condensate generated by or at the GCCS and Plant in accordance with Applicable Law and Section 2.1.15. In carrying out this directive, Company shall use only subcontractors approved, in writing, by County in accordance with Section 2.5.3.

3.11 Safety

Company shall review copies of all rules and regulations for the Facility, if any, which are related to fire, safety, health and environmental protection. Company shall abide by, and shall cause its employees, agents, and any subcontractors it employs to abide by, all such rules and regulations as well as any and all of Company's own safety programs. Company shall conduct its operations of the GCCS in such a manner as to minimize the risk of bodily harm to persons or damage to property consistent with Prudent Operating Practices. Without limiting the foregoing, Company shall:

- a) maintain accurate accident and injury reports;
- b) train its employees in safety practices and requirements;
- c) maintain a supply of suitable safety equipment and enforce the use of such equipment by its employees and visitors;
- d) make regular safety inspections of the GCCS; and
- e) instruct its employees in the proper use and disposal of hazardous materials and comply with all Applicable Laws pertaining to the same.

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3.12 Security

Company shall initiate and maintain reasonable security precautions and programs, based on County supplied provisions, to protect the GCCS against vandalism, theft, arson, or other similar actions; provided that, except in the case of an Emergency, all such precautions and programs shall be subject to the County's prior written approval. Any security for the Facility provided by County shall not relieve Company of its responsibilities and obligations under this paragraph.

3.13 Access

At all times during the Term, County, Lender, and their respective employees, agents and representatives shall have access to the GCCS, provided that such access shall not interfere with Company's ability to perform the Services and provided further that such access shall be consistent with the Site Lease Agreement; provided, such Party will attempt to give Company advance notice of such access so Company can ensure Company's personnel and the relevant records are available. County also shall have access to all documents, materials, records, and accounts relating to GCCS operations for purposes of inspection and review.

3.14 Company's Insurance

Company shall have, by the Effective Date, obtained and maintain the insurance required to be obtained and maintained by Company pursuant to Section 8.

3.15 Company's Representative

Within thirty (30) Business Days after the Effective Date, Company shall designate a representative (the "Company's Representative") who shall be authorized to act on behalf of Company in all respects to this Agreement and with whom County may consult at all reasonable times. Whenever this Agreement requires or provides for the approval, consent or some other action of Company, County may rely on the approval, consent or other action of Company's Representative. Company may change Company's Representative at any time upon written notice to County.

3.16 Storage Facilities

Company shall be responsible to provide Storage Facilities within the Premises sufficient for storage of all Accessories and tools required to carry out the Services as described in Section 2 of this Agreement.

4 OBLIGATIONS OF COUNTY

4.1 General

County shall furnish to Company, at County's expense, the information, services, materials and other items described below in this Section 3. All such items shall be made available at such times and in such manner as may be required for the timely, expeditious and orderly performance by Company of the Services.

4.2 Site Access

From the Effective Date, County shall provide Company with access to the Facility, consistent with the terms of this Agreement, the Energy Agreement and Site Lease Agreement, subject to Company's compliance with all safety and other requirements of Section 2 and to the requirement that such access shall not interfere unreasonably with County's operations at the Facility.

4.3 Information

Within five (5) Business Days of its actual receipt thereof, County shall provide Company complete copies of all technical, operational and other GCCS related information, as is in the possession, or under

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the control of County. Company shall not be responsible for any default hereunder resulting from County's failure to provide such information.

4.4 Operational Responsibilities

On the Commercial Operations Date (or such earlier date as may be agreed to by County and Company), County shall transfer to Company operational responsibilities of the GCCS.

4.5 County's Representative

Within thirty (30) Business Days after the Effective Date, County shall designate a representative (the "County's Representative") who shall be authorized to act on behalf of County in all respects to this Agreement except as limited by Applicable Law or County policy, and with whom Company may consult at all reasonable times. County may change County's Representative at any time upon written notice to Company.

4.6 Fuels and Utilities

With the exception of Condensate, which will be disposed of at Company's expense, County shall provide or cause to be provided and directly pay for all purchased electricity, water (potable and process), sewage, telecommunication, and other utilities used by the Company at the Facility in connection with conducting the Services, as well as the cost incurred in connection with the contracting for the disposal of Hazardous Materials generated in the normal course of operation of the GCCS. Notwithstanding the foregoing, any Hazardous Materials generated by the Plant operated by Company pursuant to the Energy Agreement will remain the sole responsibility of Company.

4.7 County's Insurance

County shall obtain and maintain the insurance required to be obtained and maintained by County pursuant to Section 8.

4.8 Permits

County shall be responsible for, obtaining, developing, maintaining, and renewing all compliance documents, plans, and Permits necessary for: (i) it to do business in the jurisdictions in which the GCCS and Facility are located, (ii) the ownership, operation and maintenance of the GCCS and the Facility, and (iii) with Company's support and cooperation as provided in Section 2, environmental compliance with Applicable Law.

4.9 Compliance with Applicable Law

County shall perform its obligations under this Agreement in accordance with Applicable Law and the Permits.

4.10 Coordination and Communication

County, its employees, agents and subcontractors shall reasonably cooperate and communicate with Company in meeting its obligations under Section 2.

5 PROCEDURES, PLANS, AND REPORTING

5.1 Annual Operating Plan

5.1.1 Adoption

At most ninety (90) Business Days after the beginning of the first Operating Year and at least sixty (60) Business Days before the start each Operating Year thereafter, Company shall prepare and submit to County a proposed Annual Operating Plan for the GCCS. The proposed Annual Operating Plan shall set forth, among other things, the spare parts and other Accessories to be purchased by Company,

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plans for Routine repairs, plans for Non-Routine O&M Services, and any Change Order Budget Statement, including any capital improvements budget for the upcoming Operating Year, if applicable. County shall promptly review Company's proposed Annual Operating Plan and may, upon written notice to Company, propose changes, additions, deletions and modifications thereto. If Company accepts any changes made by County, the proposed Annual Operating Plan for the GCCS, as modified, shall be adopted. If Company does not agree with any of County's proposed changes, then the Parties shall meet and work in good faith to agree upon an Annual Operating Plan for the GCCS. Once the Parties are in agreement, copies of the Annual Operating Plan shall be approved in writing by both Parties. Once approved, the Annual Operating Plan for the GCCS shall remain in effect throughout the applicable Operating Year, subject to such Change, revision, amendment and updating as may be proposed by either Party and consented to in writing by the other Party in accordance with Section 4.3.

5.1.2 Failure to Agree Upon Annual Operating Plan

If the Parties cannot reach agreement on the Annual Operating Plan for the GCCS for an Operating Year by the start of such Operating Year, then, until such time as agreement is reached or the dispute is resolved, the Annual Operating Plan for the GCCS for such Operating Year shall be the same as the Annual Operating Plan for the prior Operating Year, subject to adjustment as required for the safe operation of the GCCS and as required under the Energy Agreement and Site Lease Agreement. If the Parties have not reached an agreement on the Annual Operating Plan for the GCCS for an Operating Year within one hundred and twenty (120) Business Days after the start of such Operating Year, then County's proposed Annual Operating Plan will be adopted. Following such adoption, Company may propose a change order pursuant to the process for Changes set forth in Section 4.3 if the adopted Annual Operating Plan contains costs and expenses not otherwise provided for in this Agreement.

5.2 Accounts and Reports

From and after the Effective Date, Company shall furnish, or cause to be furnished, to County the following reports:

5.2.1 Shutdown Reports

As soon as practicable after the occurrence of any unscheduled shutdown or Emergency of any part of the GCCS but in no event later than twenty (20) business days, Company will submit to County reports utilizing a standardized form for describing the outage or Emergency, any known causes, and expected duration. Thereafter Company will use commercially reasonable efforts to keep County informed of Company's efforts to overcome, minimize or resolve such outage or Emergency.

5.2.2 Monthly Reports

Within ten (10) Business Days after the end of each calendar month, Company shall submit to County: (i) a monthly report, including that information described in Section 2.3.1, that describes in reasonable detail activities conducted during such calendar month with respect to operation and maintenance of the GCCS (including information regarding safety incidents, consumables utilized or parts replaced and spares utilized, unscheduled maintenance and repairs, forced shutdowns, and any material operating problems encountered by Company together with the remedial actions planned by Company), and a summary of major activities planned and/or changes in operations expected over the next two calendar months with respect to the GCCS; (ii) a statement setting forth all of the Reimbursable Expenses paid or incurred during the month, which statement shall: (a) itemize in reasonable detail the computation of such amounts, and (b) provide a summary of the Reimbursable Expenses incurred for the specific month and the year to date total and any budget deviations indicated; (iii) a summary of past major shutdowns of any part of the GCCS during the previous operating month and their duration; (iv) a summary of future scheduled shutdowns of any part of the

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GCCS anticipated during the next two operating months and their expected duration; (v) any notices or any other reports or documents County is required to provide pursuant to the Agreement, Governmental Approvals or Applicable Law (vi) processed landfill gas analysis including estimated heat content (BTU/SCF) or other specifications as requested (such requests will constitute Reimbursable Expenses); and (vii) compliance issues active or resolved in the current month or expected in the next three months.

5.2.3 Operating Year Reports

Within forty-five (45) Business Days after the end of each Operating Year, Company shall submit to County: (i) a summary report, including that information described in Section 2.3.2, covering the performance of the GCCS and operation and maintenance activities conducted during the previous Operating Year with respect to the GCCS including information regarding: (a) trending analysis of all data included in the monthly reports submitted per section 4.2.2; (b) estimated total collected LFG (SCF and MMBtu); (c) capital improvements made; (d) operation, maintenance, safety and other personnel training performed; (e) conformance or non-conformance with the Annual Operating Plan for such Operating Year; (f) any material operation or other problems (including outages and Emergencies) encountered by Company along with the remedial actions planned; (g) a summary report of major activities planned or changes in operations expected over the next Operating Year; and (h) a statement setting forth all Reimbursable Expenses paid or incurred, which statement shall itemize and include in reasonable detail the computation of such amounts, including a summary of Reimbursable Expenses for the previous Operating Year and any deviations from the Change Order Budget Statement for the previous Operating Year.

5.2.4 Documents and Records

Company shall maintain and keep current all manuals prepared or furnished by or through County, Company or any vendors, suppliers, manufacturers or others at the GCCS. Company shall maintain a file documenting all training, operations, maintenance and monitoring activities and maintenance histories which file shall include operating logs, active work orders, completed work orders, maintenance logs, training records, accident and injury reports and monitoring data.

5.2.5 Environmental Reporting

Environmental monitoring and reporting will be based on County supplied forms including, but not limited to that required by the Clean Air Act, the National Emission Standards for Hazardous Air Pollutants ("NESHAP"), the California Landfill Methane Control Measure, Hazardous Material Business Plan, Storm Water Management Plan, Spill Prevention Control and Countermeasure ("SPCC") Plan, and Start-up Shutdown and Maintenance ("SSM") Plan. Any environmental monitoring or testing reports relating to the GCCS required under Governmental Approvals, Applicable Law and/or Energy Agreement shall be prepared in draft by Company and submitted to County at least ten (10) Business Days prior to the required submittal date. County shall review and comment on such reports within five (5) Business Days after receipt and Company shall revise (in accordance with County's comments) and transmit such reports in final form to County within two (2) Business Days thereafter. All final reports shall be submitted to the applicable agencies by County.

5.3 Changes

5.3.1 Proposal of a Change

The Parties recognize that Changes may be required during the Term of this Agreement. County and Company may by a written notice to the other Party propose a Change. The written notice shall describe the proposed Change in reasonable detail and the reasons therefore.

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5.3.2 Change Order Budget Statement

The written notice of a Change proposed by Company shall be accompanied by a Change Order Budget Statement. Upon receipt by Company of any proposed Change from County, Company shall use its commercially reasonable efforts to prepare and submit to County a Change Order Budget Statement with respect to such County-proposed Change within fifteen (15) Business Days of the receipt of County's proposed Change. No proposed Change shall be implemented until a Change Order has been executed by both Parties approving the Change and the related Change Order Budget Statement; provided, however, that Company shall be entitled to implement a proposed Change without the prior approval of County if such change is required due to an Emergency, provided that to the extent an Emergency arises out of or results from the acts or omissions of Company, its employees, subcontractors or others acting on behalf of or under the control or supervision of Company, costs associated with a Change due to such Emergency shall be borne by Company.

5.3.3 Agreement on Change Order

County and Company shall diligently and in good faith endeavor to reach agreement upon any proposed Change and the related Change Order Budget Statement: (i) within thirty (30) Business Days after the date of the receipt of a proposed Change and related Change Order Budget Statement from Company or (ii) within forty-five (45) Business Days after the date of the receipt of a proposed Change from County and thirty (30) Business Days after the date of receipt of the related Change Order Budget Statement from Company, whichever is earlier. If a Change is required as a result of an Emergency, then Company shall provide to County, as soon as practicable, notice of such Change, together with a statement describing the Emergency. Within seven (7) Business Days of completion of a Change due to an Emergency, Company shall provide County with a Change Order and a Change Order Budget Statement. If County believes that an Emergency did not exist or that the Emergency arose from or was related to the acts or omissions of Company, its employees, subcontractors or others acting on behalf of or under the control or supervision of Company, then County shall have the right to disapprove of the Change. If County and Company do not agree as to the resolution of such disapproval, then either Party may submit the dispute for resolution in accordance with Section 10.

5.3.4 Other GCCS Agreements

If County: (i) identifies any other agreement impacting the ownership or operation of the GCCS and wants such agreement to be included as a part of this Agreement, or (ii) desires to amend this Agreement, then County shall provide a copy of such agreement or proposed amendment to Company to enable Company to determine whether such agreement or amendment will cause any changes to the Services or the costs of performing the addition to the Services. If Company makes such a determination, the treatment of such agreement as a new agreement or the amendment of this Agreement, as the case may be, shall be deemed to be a Change proposed by County for purposes of this Section 4.3.

Notwithstanding the previous paragraph, Company is aware of and acknowledges the existence of the Amended and Restated Agreement Between the County of Shasta and the City of Redding Concerning Use and Operation of the County's West Central Landfill and Amendment No. 1 thereto for operation of the Landfill prior to the execution of this Agreement and no change may be requested based on the terms of that agreement with the City of Redding as they existed on the Effective Date.

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6 COMPENSATION AND PAYMENT

6.1 Payments to Company

No payments will be due and payable to Company for Routine O&M Services. As compensation to Company for the performance of the Non-Routine O&M Services, County shall reimburse Company for Reimbursable Expenses in the manner and at the times specified in this Section 6. No other fee or payment will be due to Company for the Services.

6.2 Reimbursable Expenses

Compensation for non-prevailing wage labor, materials, outside expenses, subcontract work and travel cost incurred as Reimbursable Expenses will be as shown in Exhibit A.

6.2.1 Billing and Change Orders

Within thirty (30) Business Days following the end of any month in which Company performs Non-Routine O&M services that occur due to Force Majeure or acts or omissions of County or third parties other than Company, its employees, subcontractors or others acting on behalf of or under the control or supervision of Company, Company shall submit to County an estimated cost of Reimbursable Expenses for each month, if any, and a corresponding invoice for all Reimbursable Expenses incurred by Company during such month. Except for Reimbursable Expenses less than \$5,000 incurred by Company in connection with an Emergency pursuant to Section 2.4, in no event shall Company be entitled to be paid for any Reimbursable Expenses without Change Order approved of in writing. Costs associated with any Non-Routine O&M Services resulting from a breakdown of the GCCS that occurs due to the act or omission of Company, its employees, subcontractors or others acting on behalf of or under the control or supervision of Company shall be borne by Company and shall not be included in Reimbursable Expenses.

6.2.2 Accounting and Audit Rights

Company shall keep and maintain, in accordance with generally accepted accounting principles consistently applied, books, records, accounts and other documents ("Records") sufficient to reflect accurately and completely all Reimbursable Expenses. Company shall keep and preserve the Records for a period of at least three (3) years from and after the close of the Operating Year in which such costs were incurred. County shall be entitled to conduct a subsequent audit of all Reimbursable Expenses incurred by Company and paid by County hereunder, together with any supporting documentation.

6.3 Payment

County will pay the Reimbursable Expenses within thirty (30) calendar days of receipt of a detailed invoice from the Company. Such invoice shall include copies of invoices showing Company's actual costs for Accessories, Consumables, and Supplies and all other third-party costs for which Company is seeking reimbursement from County and an accounting of Company's labor costs.

County shall make all payments by wire transfer of immediately available funds to: ABA 123206024, Bank of the Cascades, Company Acct 4391365. Any payment made by County hereunder does not relieve Company of any responsibility or liability for properly performing all Services in accordance with this Agreement, and the degree of professional care, prudence and skill indicated herein. In addition, such payment does not relieve Company from being subject to all indemnification and/or other terms or conditions of this Agreement.

If any payment by the County is not made when due, then such payment will bear interest as provided in Government Code Section 926.10 until paid in full.

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6.4 Disputed Payments

If County disputes any amounts included in any invoice provided to County by Company, County shall give written notice to Company of each such disputed amount and shall pay the full amount of such invoice that is not in dispute. County and Company shall endeavor diligently and in good faith to resolve such dispute in accordance with Section 11. County shall also have the right to withhold from payments due Company a reasonable amount to resolve claims made against County by a third party as a result of or in connection with Company's performance of the Services upon presentation of reasonable evidence of the validity of such claim. County shall also have the right to set off against amounts due Company any amounts owing by Company to County. If any dispute is settled in Company's favor, Company shall include the settled amount on a subsequent regularly scheduled invoice or on a special invoice for the disputed item only. County shall not be deemed to be in breach of this Agreement by reason of reasonably withholding any payment pursuant to any provision of this Agreement or Applicable Law.

6.5 Currency

All payments required to be made by County under this Agreement shall be in United States dollars.

6.6 Taxes and Freight

All Reimbursable Expenses are exclusive of Taxes. County shall pay directly, or reimburse Company for, all Taxes except for possessory use taxes.

7 PENALTIES

7.1 Penalties, Fines and Assessments

Company shall be responsible for and shall indemnify, defend and hold harmless County, its Affiliates and their respective elected officials, officers, employees, agents, volunteers, and subcontractors from and against any and all suits, actions, liabilities, legal proceedings, claims, demands, losses, costs and expenses of whatsoever kind or character, including reasonable attorneys' fees and expenses and any fines, penalties, fees or assessments ("Damages") suffered or incurred to the extent the Damages arise from or relate to any failure of Company, its employees, agents and/or subcontractors to comply with or causing County not to comply with Permits, Energy Agreement, Site Lease Agreement, Applicable Law or Governmental Approvals (other than Governmental Approvals that establish pollutant emissions limits). To the extent County becomes obligated under any Permit, Applicable Law or Approvals to pay any Damages as a result of Company's failure to comply with any Permit, Applicable Law or Approvals, then Company shall pay County or any applicable governmental entity or agency, as agreed upon by the Parties at the time, the full amount of such Damages when due; provided, however, Company shall not be required to pay such Damages to the extent Company's failure to comply is a result of Force Majeure, or to the extent the Damages are imposed as a result of the acts or omissions of County, utility, third parties other than Company, its employees, subcontractors or others acting on behalf of or under the control or supervision of Company, or their agents or employees.

7.2 Term

The term of this Agreement (the "Term") shall begin on the Effective Date and, unless earlier terminated in accordance with this Agreement, shall continue for the same length as that of the Energy Agreement between County and Company.

7.3 Event of Default

Any of the following events shall constitute an Event Of Default: (i) the Bankruptcy of a Party; (ii) a Party violates or allows a violation of any Permit, Governmental Approval, or Applicable Law applicable to the Services or the GCCS, which violation has or may have a material adverse effect on the non-

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defaulting Party or the operations of any GCCS or Facility; (iii) a Party breaches a material obligation or warranty under this Agreement, including, without limitation, by failure to maintain insurance; and (iv) in the case of Company, Company fails to pay when due, or within any applicable period of grace, any indebtedness to a third party in an aggregate amount greater than fifty thousand dollars (\$50,000) or fails to observe or perform any material term, covenant or agreement contained in any one or more agreements by which it is bound, evidencing or securing any indebtedness in an aggregate amount greater than fifty thousand dollars \$50,000 for such period of time as would permit, or would have permitted (assuming the giving of appropriate notice if required), the holder or holders thereof or of any obligations issued there under to accelerate the maturity thereof or terminate its commitment with respect thereto.

7.4 Termination by Either Party

Upon the occurrence of an Event Of Default other than Bankruptcy, the non-defaulting Party may terminate this Agreement upon thirty (30) calendar days' written notice to the defaulting Party if and only if the defaulting Party does not cure such default within thirty (30) calendar days after the date of the receipt of the default notice; provided, however, that if such default cannot reasonably be cured within such thirty (30) calendar days and the defaulting Party shall have commenced to cure such default within said period and shall thereafter proceed with reasonable diligence and good faith to cure such default, then for such longer period of time (but not more than ninety (90) calendar days) as shall be necessary to accomplish such cure with all reasonable diligence (so long as such extended period will not cause an immediate material adverse effect on any GCCS component or the non-defaulting Party; provided, further, that the occurrence of any such immediate material adverse effect shall terminate the extended period); provided, further, that the period to cure any failure by a Party to pay the other Party any amounts owing hereunder shall be thirty (30) calendar days after receipt of notice of such payment default. Upon the occurrence of Bankruptcy of either Party, the non-defaulting Party may terminate this Agreement immediately upon giving written notice to the defaulting Party. If the Energy Agreement between the County and the Company is terminated prior to initiation of the work by Company, County may terminate this Agreement without compensation upon giving written notice to Company.

7.4.1 Additional County Termination Rights

In addition to County's termination rights upon an Event of Default, County shall have the further right to terminate this Agreement:

- a) Within 30 days after (i) the end of the third Operating Year, or (ii) any subsequent Operating Year, for any reason or no reason, upon sixty (60) days prior written notice;

7.5 Condition of GCCS at End of Term

Upon expiration or termination of this Agreement, Company shall, if applicable remove the Company's personnel from the GCCS and shall leave the GCCS in the same condition as on the Effective Date, normal wear and tear and any other degradation, including reasons of Force Majeure, for which Company or any subcontractor of Company is not responsible, excepted. All Accessories, Supplies and Consumables and any other items furnished as initial spare parts or a Reimbursable Expense and for which County has paid will be left at the GCCS and will become or remain the property of County. To the extent they are assignable and if requested by County, County also shall directly assume and become liable for any contracts or obligations that Company may have undertaken with third parties in connection with the performance of the Services.

7.6 Obligations upon Expiration or Termination

Upon expiration or termination of this Agreement for any reason, Company shall cooperate with County in the transfer of the operations of the GCCS to County or to a new operator of the GCCS designated by

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County. Without limiting the foregoing, if requested by County, Company shall provide County and the new operator with information and data necessary for the safe and efficient operation and maintenance of the GCCS. In addition, Company shall deliver to County all books, records, accounts, software used for plant operations, and manuals received or developed by Company relating to the GCCS pursuant to this Agreement. At County's request and at Company's expense, Company shall assist County in preparing an inventory of Supplies in use or in storage at the GCCS.

8 INSURANCE AND BONDING

County and Company agree to obtain on or before the Effective Date and to maintain in effect policies of insurance of the type in the amounts, with the deductibles and as otherwise provided in the Energy Agreement.

9 INDEMNIFICATION

County and Company shall indemnify, defend and hold harmless the other for any indemnified claims related to this Agreement as set forth in Article 8 of the Energy Agreement.

9.1 Survival

This Section 8 shall survive termination of this GCCS O&M Agreement.

10 LIMITATION OF LIABILITIES OF THE PARTIES

The limitations on liability set forth in Article 11 of the Energy Agreement shall apply to the obligations and liability of Company and County under this Agreement.

11 DISPUTE RESOLUTION

All disputes arising in connection with this Agreement will be resolved in accordance with section 15.01 of the Energy Agreement.

12 CONFIDENTIALITY

12.1 Nondisclosure

Each Party agrees to not disclose to third parties any information regarding the business affairs, finances, terms of this Agreement, technology or processes of the other Party (including, without limitation, the GCCS) without the express written consent of the non-disclosing Party. This restriction shall not apply to information that: (i) was already in the possession of the receiving Party prior to receipt from the disclosing Party; (ii) now or hereafter becomes a part of the public domain through no fault of the receiving Party; (iii) is hereafter furnished to the receiving Party by third parties without restriction on disclosure known to the recipient; or (iv) is independently developed by the recipient Party without the benefit of the disclosing Party's information. Each Party will release, indemnify and hold harmless the other Party from any and all liability arising from its improper use or dissemination of the other Party's information protected hereunder.

12.2 Permitted Disclosure

If a Party is required by law to disclose information that is otherwise required to be maintained in confidence pursuant to Section 12.1, or where disclosure is required in connection with (i) any subpoena or order related to any administrative, regulatory, legislative or other governmental proceedings, including, without limitation, such proceedings involving the assertion of any claim or defense involving a Party or (ii) the requirements of the Public Records Act or the Brown Act; or (ii) the enforcement or interpretation of this Agreement pursuant to Section 11, it may make disclosure notwithstanding the

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provisions of Section 11.1; provided, however, that the disclosing Party shall notify the nondisclosing Party of the requirement and the terms prior to the submission and shall cooperate to the maximum extent practicable at the nondisclosing Party's expense to minimize the disclosure of the information. The nondisclosing Party shall use its reasonable efforts to obtain proprietary or confidential treatment of such information by the third party to whom the information is disclosed, and will, to the extent such remedies are available, seek protective orders limiting the dissemination and use of the information. Notwithstanding anything to the contrary in this paragraph, if County is disclosing information pursuant to a request made in accordance with the California Public Records Act, County may disclose responsive information within ten (10) days of the request unless Company obtains a court order prohibiting the disclosure. Subject to approval by County Counsel, Company may request that the County not produce or disclose a document while Company challenges such disclosure, provided, however, that in such event, in addition to any defense and indemnification requirement between the Parties, Company will defend, indemnify, and hold harmless County from any Damages arising out of or related to any failure to comply with the California Public Records Act.

12.3 Term

The obligations of the Parties pursuant to this Section 11 shall remain in full force and effect for a period of five years after the date of the expiration or termination of this Agreement.

13 REPRESENTATIONS AND WARRANTIES

13.1 Company's Representations, Warrants and Covenants

13.1.1 Performance

Company has expertise in operations and maintenance of systems similar to the GCCS and shall perform the Services in accordance with generally accepted professional practices in its fields of specialty and with skill and care commensurate with such expertise. Company has the ability and the necessary equipment to perform the Services in compliance with all Applicable Laws, Governmental Approvals, government standards, regulations and guidelines and the conditions, practices, means, methods, operations or processes used or proposed to be used in performance of the Services will provide a safe place of employment.

13.1.2 Compliance with Laws

Company and its employees, agents, representatives and subcontractors are and shall at all times during the performance of the Services remain in compliance with all Applicable Laws and Governmental Approvals, including without limitation, those related to wages, hours, fair employment practices, anti-discrimination, safety and working conditions, and environmental protection, subject to obtaining a Change Order for any material change in such compliance requirements.

13.1.3 Claims

There are no outstanding claims, suits or proceedings or other service projects which would in any way conflict with Company or its employees' performance of the obligations set forth herein. Company shall promptly notify County if any such claim, suit or proceeding is instituted against Company.

13.1.4 Errors or Omissions

Company is responsible for any negligent errors or omissions committed by itself and any of its agents, employees or subcontractors and Company shall be responsible for and shall bear all reasonable costs and expenditures of any corrective action required to be taken by County or Damages incurred by County as a result of any such errors or omissions.

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13.1.5 Supervision

Company shall at all times maintain good order among its employees, agents and subcontractors who perform the Services and shall confine such employees, agents and subcontractors and its equipment to those portions of the Facility where the Services are to be performed, to roads leading to and from the Facility and to any other area County may approve in advance.

13.1.6 Taxes

Company shall have full and exclusive liability for the payment of any and all taxes and contributions for unemployment insurance or benefits, retirement benefits, pensions, annuities or similar benefits which may now or hereafter be imposed by law or collective bargaining agreements with respect to any person performing the Services on Company's behalf.

13.1.7 Knowledge; No Reliance

Company understands the location, general nature and scope of the Services, the character of equipment and facilities needed, and will familiarize itself with the general and local conditions to the extent necessary to perform the Services and Company is not relying on any representation or promises of County except those provided in writing by County, if any.

13.1.8 Restoration

In the event damage occurs to property of County as a result of performance of the Services by Company or the employees, agents or subcontractors it employs, Company shall take all reasonable steps to restore such property to its original condition, with the exception of normal wear and tear.

13.2 County Presents, Warrants and Covenants

13.2.1 Claims

There are no outstanding claims, suits or proceedings or other service projects that would in any way conflict with County's performance of its obligations set forth herein. County shall promptly notify Company if any such claim, suit or proceeding is instituted against County.

13.2.2 Errors or Omissions

County is responsible for any negligent errors or omissions committed by itself and any of its agents, employees or subcontractors and County shall be responsible for and shall bear all reasonable costs and expenditures of any corrective action required to be taken by Company as a result of any such errors or omissions.

13.2.3 Payment Obligation

County has the financial ability to make the payments required under this Agreement.

14 MISCELLANEOUS PROVISIONS

14.1 Assignment

Neither Party may assign this Agreement without the prior written approval of the other; provided, however, that this Agreement may be assigned by (a) County without the consent of Company to any successor owner of the GCCS, and (b) by Company in order to obtain construction or permanent financing for the Plant. If Lender requires County execution of a consent to the assignment of this Agreement, County will, if requested by the Lender: (i) advise the Lender whether Company is in default of the Agreement; and (ii) agree to (a) provide the Lender with written notice of any known material defaults, (b) provide the Lender with thirty (30) calendar days to cure a default by Company not involving an Emergency; and (c) provide the Lender with such other rights to notices and continuation of services

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as are customary in such collateral consents; provided, however, that County shall be entitled to negotiate, in good faith, the form of the consent and any changes requested by the Lender, including, limiting any liability to Lender for any failure to timely give Lender such notice. Any assignment that does not comply with the provisions of this Section 13.1 shall be null and void.

14.2 Access

Subject to any non-disclosure agreements contained herein, Lender and their respective representatives at all reasonable times shall have access to the GCCS, all GCCS operations and any documents, materials, records and accounts relating to the GCCS operations for purposes of inspection and review; provided, such party will use reasonable efforts to give Company advance notice of such access so Company can ensure Company personnel and the relevant records are available. During any such inspection or review of the GCCS, County and its representatives and invitees shall comply with all of Company's safety and security procedures, and County, the Lender and their respective representatives shall conduct such inspection and reviews in such a manner as to not unreasonably interfere with Company's performance of the Services.

14.3 Independent Contractor

Except as expressly set forth herein, Company shall be an independent contractor with respect to the performance of the Services. This Agreement is not intended to create, and shall not be construed to create, between County and Company a relationship of employer-employee, master-servant, agency, partnership or joint venture.

14.4 Not for Benefit of Third Parties

Notwithstanding any provision in this Agreement to the contrary, this Agreement and each and every provision hereof is for the exclusive benefit of County and Company and is not for the benefit of any third party, either as intended or incidental beneficiary.

14.5 Force Majeure

In the event that either Party is rendered unable, by reason of an event of Force Majeure, to perform, wholly or in part, any obligation or commitment set forth in this Agreement, then, provided such Party gives prompt written notice describing the particulars of such event, including the nature of the occurrence and its expected duration, and continues to furnish weekly reports with respect thereto during the period of the Force Majeure, and works diligently to minimize and overcome the effects of such Force Majeure, the obligations of the affected Party shall be suspended to the extent and for the period of such Force Majeure condition; provided however, that (i) the suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure and (ii) the Party whose performance is being excused shall use its reasonable efforts to perform its obligations hereunder and use its reasonable efforts to remedy its inability to perform as soon as practicable. The Force Majeure event will not excuse either Party from making payments to the other Party. There shall be no payment or compensation of any kind to Company, including payment of any Services or delay-related expenses, for any period during which Company is not performing its obligations under this Agreement, including during any delay caused by Force Majeure, and Company shall accept any extension in the period in which the Services may be performed as full and complete satisfaction for any increased cost or expense resulting from such delay.

14.6 Amendments

No change, amendment or modification of this Agreement shall be valid or binding upon the Parties unless such change, amendment or modification shall be in writing and duly executed by the Parties.

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14.7 Survival

Notwithstanding any provisions contained herein to the contrary, Sections 5.1, 5.5, 5.6, and 13.24 and Section 8, 9, 10 and 11 shall survive in full force the expiration or termination of this Agreement, together with such provisions as are necessary to interpret this Agreement, to enforce such obligations and such provisions as are necessary to enforce rights or obligations that have arisen prior to termination, but have not been fully performed as of termination, such as payment of any amounts owing a Party hereunder.

14.8 No Waiver

Any delay, waiver or omission by any Party to exercise any right or power, including requiring compliance with any of its terms during the Term, shall not be construed or deemed to be a waiver by such Party of any subsequent breach or default of the same or other terms, provisions or covenants.

14.9 Notices

All notices, communications and waivers under this Agreement shall be in writing and shall be (a) delivered in person; or (b) sent by reputable overnight express courier, addressed in each case to the addresses set forth below, or to any other address either of the Parties to this Agreement shall designate in a written notice to the other Party:

If delivered to County:

Shasta County Department of Public Works
1855 Placer Street
Redding, California 96001
Attention: Director of Public Works
Telephone: 530-225-5661
Facsimile: 530-225-5667

If delivered to Company:

All notices sent pursuant to the terms of this Section shall be deemed received (i) if personally delivered, then on the date of delivery, or (ii) if sent by reputable overnight, express courier, then on the next Business Day immediately following the day sent.

14.10 General Representations and Warranties

Each Party represents and warrants to the other Party that: (i) such Party has the full power and authority to execute, deliver and perform its obligations under this Agreement and to carry out the transactions contemplated hereby; (ii) the execution and delivery of this Agreement by such Party and the carrying out by such Party of the transactions contemplated hereby have been duly authorized by all requisite corporate action and this Agreement has been duly executed and delivered by such Party and constitutes the legal, valid and binding obligation of such Party, enforceable against it in accordance with the terms hereof, subject, as to enforceability of remedies, to limitations imposed by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the enforcement of creditors' rights generally and to general principles of equity; (iii) no authorization, consent, approval or order of, notice to or registration, qualification, declaration or filing with any Governmental Person is required for the execution, delivery and performance by such Party of this Agreement or the carrying out by such Party of the transactions contemplated hereby, other than regulatory and similar approvals needed with respect to the operation of the GCCS; and (iv) none of the execution, delivery and performance by such Party of this Agreement, the compliance with the terms and provisions hereof, and the carrying out of the

EXHIBIT C

transactions contemplated hereby, conflict with or result in a breach or violation of any of the terms, conditions or provisions of any law in existence on the Effective Date of such Party in existence on the Effective Date, or any applicable order, writ, injunction, judgment or decree of any court or Governmental Person against such Party or by which it or any of its properties is bound, or any loan agreement or instrument to which such Party is a party or by which it or any of its properties is bound or constitutes a default there under or will result in the imposition of any lien, mortgage or other encumbrance upon any of its properties.

14.11 No Liens

Company shall not create, permit or suffer to exist any liens or encumbrances on the GCCS or the Facility arising from the Services performed hereunder. At all times and upon completion of the Services, Company shall furnish County with satisfactory written evidence that there are no unpaid claims for work or materials furnished at the Facility which could constitute the basis for any liens against the property of County. If any claim or lien is filed against the GCCS, County, or their respective officers, directors, employees, subcontractors and/or agents caused by Company's failure to comply with the preceding sentence, then County may at its option (and without any liability being attributed to County) withhold further payment to Company under this Agreement and/or avail itself of such other remedies against Company as it may have at law, in equity or pursuant to the terms and conditions of this Agreement. Company shall be solely responsible for the payment of all costs and expenses regarding the removal and satisfaction of record of all liens filed and arising from the Services performed hereunder. The obligations on the part of Company hereunder shall be in addition to but not in limitation of Company's indemnification obligations provided in Section 9 of this Agreement.

14.12 Counterparts

This Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed an original instrument as against any Party who has signed it.

14.13 Governing Law; Jurisdiction; Forum

This Agreement shall be governed by and construed in accordance with the internal laws of the State of California. The Parties irrevocably agree that any action, suit or proceeding by or among the Parties may be brought in the Superior Court of the State of California located in the County of Shasta or the Federal Court for the Eastern District of California, provided that such court has subject matter jurisdiction over the dispute.

14.14 Severability

If any provision of this Agreement becomes or is declared to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision; provided, however, that if such severability materially changes the economic benefits of this Agreement to either Party, the Parties shall negotiate an equitable adjustment in the provisions of this Agreement in good faith.

14.15 Captions

The captions contained in this Agreement are inserted only as a matter of convenience and for reference only, and in no way define, describe, limit or otherwise affect the scope, meaning or intent of this Agreement or any provision.

14.16 Exhibits

All exhibits attached hereto shall be considered a part hereof as though fully set forth herein.

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14.17 Entire Agreement

This Agreement, the Energy Agreement and the Site Lease contain the full and complete understanding of the Parties relating to the subject matter hereof as of the date hereof, and supersedes any and all prior negotiations, agreements and representations made or dated thereto. There are no oral understandings, terms or conditions and neither Party has relied upon any representation, express or implied, not contained in this Agreement.

14.18 Conflicting Provisions

In the event of any conflict between this document and any exhibit, the terms and provisions of this document, as amended from time to time, shall control. In the event of any conflict among the exhibits, the exhibit of latest date shall control.

14.19 Successors and Assigns

The terms and provisions of this Agreement and the respective rights and obligations hereunder of Company and County shall be binding upon, and inure to the benefit of, their respective permitted successors and assigns.

14.20 Standard of Reasonableness

Except as expressly stated to be within the sole discretion of any Party, all consents or approvals required of either Party shall not be unreasonably withheld or delayed, nor shall any acts or requests of a Party be unreasonable in light of the surrounding facts and circumstances.

14.21 Use of English Language

All documents and written correspondence and information exchanged by the Parties, including all manuals to be provided to or by Company hereunder, shall be in the English language. Any translations into a non-English language requested by a Party shall be made at the sole expense of the requesting Party.

14.22 Joint Effort

Preparation of this Agreement has been a joint effort of the Parties and the resulting document shall not be construed severely against one of the Parties than against the other.

14.23 Currency

Unless otherwise specified herein, any references to dollars (\$) in this Agreement shall refer to the currency of the United States of America.

14.24 Remedies and Rights Not Exclusive

No remedies or rights conferred upon County or Company by this Agreement are intended to be exclusive of any remedy or right provided by law, but each shall be cumulative and shall be in addition to every other remedy or right given hereunder or now or hereafter existing at law or in equity (including but not limited to the remedy of specific performance).

14.25 Non-Discrimination

Company shall not discriminate in employment practices or in the delivery of services on the basis of race, color, creed, religion, national origin, sex, age, marital status, sexual orientation, medical condition (including cancer, HIV, and AIDS) physical or mental disability, use of family care leave under either the Family & Medical Leave Act or the California Family Rights Act, or on the basis of any other status or conduct protected by law.

EXHIBIT C

14.26 Americans With Disabilities Act Compliance

Company represents that Company is in compliance with and agrees that Company shall continue to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. sections 12101, et seq.), the Fair Employment and Housing Act (Government Code sections 12900, et seq.), and regulations and guidelines issued pursuant thereto.

14.27 Religious Activity

No funds or compensation received by Company under this Agreement shall be used by Company for sectarian worship, instruction, or proselytization. No funds or compensation received by Company under this Agreement shall be used to provide direct, immediate, or substantial support to any religious activity.

14.28 Prevailing Wage

For any work performed by Company that constitutes a public work as that defined in California Labor Code section 1720 et seq., Company shall comply with the following provisions:

14.28.1 Prevailing Wage

If the cost of the work is \$1,000 or more, Company shall pay, and shall require any subcontractor to pay, not less than the specified prevailing rates of per diem wages to all laborers, workers, and mechanics employed by them in the execution of this Agreement in accordance with the provisions of Article 2 (commencing with section 1770) of Chapter 1 of Part 7 of Division 2 of the Labor Code. Copies of the prevailing rate of per diem wages are on file at County's Department of Public Works, located at 1855 Placer Street, Redding, California, and are available to Company upon request. Company shall also pay, and shall require each subcontractor to pay, travel and subsistence payments to each laborer, worker, and mechanic needed to execute the work.

14.28.2 Labor Code Compliance

If the cost of the work is \$1,000 or more, Company shall comply with Labor Code section 1775. In accordance with Labor Code section 1775, Company shall forfeit as a penalty to County such amount as is determined by the Labor Commissioner, or otherwise \$50.00, for each calendar day or portion thereof for each worker paid less than the prevailing rates as determined by the Director of Industrial Relations for such work or craft in which such worker is employed for any work done under this Agreement or by any subcontractor under this Agreement. In addition to such penalty and pursuant to section 1775, the difference between prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by Company.

14.28.3 Certified Payrolls

If the cost of the work is \$1,000 or more, Company shall keep, and shall require each subcontractor to keep, an accurate payroll record showing the name, address, social security number, work classification, the straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by Company and any subcontractors in connection with the execution of this Agreement or any subcontract under this Agreement. Such records shall be certified and shall be open at all reasonable hours to inspection by County, its officers and agents, and to the representatives of the Division of Labor Standards Enforcement and the Division of Apprenticeship Standards of the State Department of Industrial Relations and to the public through request to the County, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement. Company shall comply fully with the provisions of Labor Code section 1776 in connection with the keeping and disclosure of payroll records and shall also require all subcontractors to comply therewith.

EXHIBIT C

14.28.4 Indemnification

In addition to any other indemnification provision of this Agreement, Company shall indemnify and hold County harmless from and defend County against any and all claims of liability arising in part or in whole from Company or its agents, contractors, or employees' failure to comply with the duties proscribed by this section.

14.29 Fiscal Funding Out

Notwithstanding the anything to the contrary in this Agreement or any agreement between the Parties, County shall not be obligated for any payments hereunder for any future County fiscal year unless or until County's Board of Supervisors appropriates funds for this Agreement in County's budget for that County fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall end as of June 30 of the last County fiscal year for which funds for this Agreement were appropriated. For the purposes of this Agreement, the County fiscal year commences on July 1 and ends on June 30 of the following year. County shall notify Consultant in writing of such non-appropriation at the earliest possible date.

14.30 Notice Of Claims.

If any claim for damages is filed with Company or if any lawsuit is instituted concerning Company's performance under this Agreement and that in any way, directly or indirectly, contingently or otherwise, affects or might reasonably affect County, Company shall give prompt and timely notice thereof to County. Notice shall be prompt and timely if given within 30 days following the date of receipt of a claim or 10 days following the date of service of process of a lawsuit.

[Signatures on Next Page]

EXHIBIT C

To evidence their understandings, County and Company have executed this GCCS O&M Agreement as of the Effective Date.

County:

COUNTY OF SHASTA

Date: _____

DAVID A. KEHOE, CHAIRMAN
Board of Supervisors
County of Shasta County
State of California

ATTEST:

LAWRENCE G. LEES
Clerk of the Board of Supervisors

By: _____

Deputy

Approved as to form:

RUBIN E. CRUSE, JR
County Counsel

RISK MANAGEMENT APPROVAL

By: _____

David M. Yorton, Jr.
Senior Deputy County Counsel

By: _____

Jim Johnson
Risk Management Analyst I

Company:

EXHIBIT C

EXHIBIT A

FEE SCHEDULE