

## MEMORANDUM OF UNDERSTANDING AND TERM SHEET

This Memorandum of Understanding (this “**MOU**”) is entered into as of June 1, 2023 (the “**Effective Date**”) by and between WM Renewable Energy, L.L.C., a Delaware limited liability company (“**WM**”) and an affiliate of Waste Management of Texas, Inc. (“**WMTX**”), and Williamson County, a municipal corporation of the State of Texas (the “**County**”). WM and County are collectively referred to as the “**Parties**” and individually as a “**Party**.”

### RECITALS

**WHEREAS**, County owns that certain landfill located at 600 Landfill Road, Hutto, TX 78634 (the “**Williamson County Landfill**”), which is operated by WMTX pursuant to the March 2009 Williamson County Landfill Operation Agreement between the County and WMTX, the July 6, 2013 Supplement and Clarification of that Agreement, and any other amendments (collectively, “**Agreement**”);

**WHEREAS**, WM wishes to potentially develop a renewable natural gas facility at the Williamson County Landfill (the “**RNG Facility**”) using the landfill gas (“**LFG**”) produced by the Williamson County Landfill;

**WHEREAS**, the Parties desire to potentially enter into a landfill gas rights agreement (the “**GRA**”) to grant to WM the exclusive right to the LFG from the Williamson County Landfill for a certain period of time; and

**WHEREAS**, the Parties wish to document certain understandings in this MOU pending their continued negotiations and discussions surrounding the GRA.

**NOW THEREFORE**, for and in consideration of the mutual promises and covenants herein set forth, the Parties hereby agree as follows:

#### **Section 1. Objective.**

(a) The Parties hereby agree to reasonably cooperate to promptly negotiate the terms and conditions of the GRA, in a form reasonably acceptable to each Party.

(b) This MOU sets forth the mutual understandings and intentions relating to the GRA. The GRA shall also provide for other reasonable and customary terms, such as standard representations, warranties and indemnities, that are acceptable to the Parties, which shall generally be substantially consistent with those terms set forth on Exhibit A.

(c) In consideration of the expenses that the other Party has incurred and will incur in connection with the performance of their respective obligations under this MOU, each Party agrees that during the period commencing on the Effective Date and ending on 11:59 P.M. Houston, Texas time on the last day of the term of this MOU (such period, as it may be extended from time to time by mutual written agreement of the Parties, the “**Exclusivity Period**”), and except as contemplated by this MOU, the Parties shall not, and each Party shall cause its respective affiliates and its and their respective officers, directors, managers, partners, employees, agents and representatives (including legal counsel, financial advisors or other third party professionals) and in the case of the County, its elected officials and commissioners, not to,

directly or indirectly, initiate, solicit, encourage, endorse, cooperate with or otherwise facilitate (including by way of furnishing non-public information or data) any inquiry, proposal or offer from any person or group of persons (other than the other Party) (i) regarding the purchase, sale, investment in, or other transactional relationship with the County for the LFG from the Williamson County Landfill or (ii) enter into any agreement, arrangement, or understanding requiring the County to abandon, terminate or fail to consummate this MOU.

**Section 2. Term.** The term of this MOU shall commence on the Effective Date and shall terminate on the first to occur of:

- (a) the execution of the GRA; or
- (b) thirty (30) days following delivery of written notice by either Party to the other Party stating its intention to terminate this MOU.

Upon such termination, except as otherwise expressly provided in Section 15, (i) this MOU shall be of no further force or effect, and (ii) the Parties shall no longer have any rights, duties, or obligations with respect to this MOU.

**Section 3. Public Announcement.** No public announcement (whether in the form of a press release or otherwise) shall be made by or on behalf of any Party or their representatives with respect to the subject matter of this MOU unless:

- (a) the other Party has agreed in writing to permit such public announcement to be made, which permission may be withheld in its sole discretion; or
- (b) such public announcement is required by law and the Party required to make such announcement has given prior written notice thereof to the other Party.

Any public announcement made as permitted under this Section 3 shall be made only in accordance with text mutually agreed upon by the Parties.

**Section 4. Confidentiality.** Each Party agrees to abide by the terms of Section 2.11(b) and other language regarding Confidential Business Records contained in the Agreement during the term of this MOU. All materials provided hereunder shall be deemed “Confidential Business Records” as described in the Agreement.

**Section 5. Limit of Liability.** Notwithstanding anything to the contrary contained in this MOU, except with respect to a breach of Section 4, each Party waives all claims against the other Party (and against the other Party’s owners, officers, managers, directors, affiliates, employees, representatives, successors and assigns) for any losses, expenses, costs, or damages, arising from, or related to, loss of actual or anticipated profits, revenues or product, loss by reason of shutdown or non-operation, increased expense of operation, borrowing or financing, loss of use or productivity, loss of opportunity or increased cost of capital, or any consequential, incidental, indirect, special, exemplary, aggravated, or punitive damages, losses, expenses, or costs, to the extent related to, or arising from, this MOU, and regardless of whether any such claim arises out of breach of contract or warranty, tort (including negligence), product liability, indemnity, contribution, strict liability or any other legal theory.

**Section 6. Notices.** Any notice required or authorized to be given hereunder shall be in writing and shall be served personally, by first class prepaid mail, or by email transmission addressed to the relevant Party at the address stated below. Any notice so given personally shall be deemed to have been served and received upon delivery, any notice by first class prepaid mail shall be deemed to have been delivered forty-eight (48) hours after posting, and any notice so given by email transmission shall be deemed to have been served and received when delivered. As proof of such service and receipt, it shall be sufficient to produce a receipt showing delivery by personal service or by express courier service, or a copy of the corresponding email (showing that the correct email address of the Party to whom notice is served was used) and a delivery receipt.

The Parties' addresses for service are:

To WM: WM Renewable Energy, L.L.C.  
800 Capitol, Suite 3000  
Houston, Texas 77002  
Attn: Sr. Director, Renewable Energy  
Email: rbeck3@wm.com  
Copy to: gclegal@wm.com

To Williamson County:  
Williamson County Judge Office  
710 S. Main St. #101  
Georgetown, Texas 78626  
Attn : Williamson County Judge  
Williamson County Commissioner Precinct 4  
Sr. Director of Infrastructure

**Section 7. Costs.** Each Party shall bear its own costs and expenses (including fees of legal counsel and outside advisors) in connection with the preparation, negotiation and execution of this MOU (whether or not the GRA is consummated), in connection with due diligence investigation and evaluation of the GRA, and in connection with the negotiation, authorization, execution and delivery of the GRA.

**Section 8. Assignment.** Neither Party shall convey, transfer or assign this MOU, or any interest herein, without the prior written consent of the other Party; provided that WM may assign this MOU to an affiliate without the County's prior written consent.

**Section 9. No Third Party Beneficiary.** This MOU is intended for the benefit of the Parties hereto and is not intended to and does not confer any benefit on third parties.

**Section 10. Governing Law.** This MOU shall be governed by and construed in accordance with the laws of Texas, without regard to its conflicts of law principles.

**Section 11. Dispute Resolution.** Any dispute arising out of or in connection with this MOU, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by binding arbitration administered by the American Arbitration Association ("AAA") in accordance with its Commercial Arbitration Rules then in effect, except to the extent modified herein. The seat of arbitration shall be Houston, Texas. There shall be 1 independent

arbitrator appointed by the AAA. When acting as appointing authority under this Section 11, AAA shall endeavor to appoint an attorney who has experience with and is knowledgeable regarding the operations, maintenance, and construction industry as an arbitrator. The arbitrator shall have no authority or power to enter an award that is in conflict with governing law. The award shall be in writing and shall contain the reasons on which it is based. The award of the arbitrator shall be final and binding on the Parties and may be challenged only on the grounds set forth in the Federal Arbitration Act, 9 U.S.C. §1 et seq. Any award may be enforced or confirmed in any court of competent jurisdiction. The fees and expenses of the arbitration shall be borne equally by the Parties and each Party shall bear its own legal expenses.

**Section 12. Counterparts.** This MOU may be executed in counterparts, each of which shall have the effect of and be considered as an original of this MOU.

**Section 13. Entire Agreement.** This MOU represents the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, representations or agreements, whether written or oral.

**Section 14. Electronic Copies.** The exchange of copies of this MOU and of signature pages by email or other electronic transmission shall constitute effective execution and delivery of this MOU as to the Parties and may be used in lieu of the original MOU for all purposes. Signatures of the Parties transmitted by email or other electronic means shall be deemed to be their original signatures for all purposes.

**Section 15. Binding Effect.**

(a) Except as otherwise provided in this Section, the Parties acknowledge and agree that this MOU, including the Term Sheet hereunder, is not intended to be a binding agreement but merely an expression of intent with regard to the GRA and no binding agreement with respect to the GRA shall exist between the Parties unless and until such document is duly executed and delivered by the Parties, and each Party hereto covenants and agrees to never contend, assert or argue to the contrary.

(b) Notwithstanding anything to the contrary contained in this MOU, the provisions of this MOU hereafter referenced shall be binding upon the Parties to the extent specified:

(1) Sections 1 and 2 of this MOU shall be binding upon the Parties during the term of this MOU; and

(2) Sections 3 through 15 of this MOU shall be binding upon the Parties indefinitely and shall survive the expiration or termination of this MOU.

**IN WITNESS WHEREOF**, the Parties have caused this MOU to be executed by their duly authorized representatives, effective as of the Effective Date written above.

WM Renewable Energy, L.L.C.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Williamson County, Texas

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit A  
To MOU**

This term sheet (this “*Term Sheet*”) sets forth summaries of the terms and conditions for the GRA. All capitalized terms used but not defined herein shall have the meaning set forth in the MOU.

<p><b>1. Transaction Overview</b></p>	<p><b><i>Construction, Operation and Maintenance of RNG Facility:</i></b> WM will design, construct, operate and maintain on an agreed upon leasehold granted to WM from the County a facility capable of converting LFG from the Williamson County Landfill into renewable natural gas (“<i>RNG</i>”, and such facility the “<i>RNG Facility</i>”).</p> <p><b><i>Rights to LFG:</i></b> County will provide WM the exclusive right to all LFG from the Williamson County Landfill to WM for a period lasting until 20 years after the commercial operations date of the RNG Facility in exchange for compensation to be negotiated between the Parties.</p> <p>WM shall be responsible for obtaining (or causing to be obtained, as applicable) all permits, such as an air permit, at its sole cost and expense, required for the design, construction, operation and maintenance of the RNG Facility. WM shall be permit holder of such permits.</p>
<p><b>2. GRA</b></p>	<p><b><i>Term:</i></b> WM will have the exclusive right to all LFG resulting from the Williamson County Landfill for a period lasting until 20 years following the commercial operation date of the RNG Facility.</p> <p><b><i>Development Schedule:</i></b> WM will begin engineering and permitting processes for the RNG Facility promptly following execution of the GRA.</p> <ul style="list-style-type: none"> <li>• Construction of the Facility will begin once the GRA is executed and all necessary permits are obtained, which the Parties anticipate to be the first half of 2024.</li> <li>• WM currently anticipates that the RNG Facility will achieve commercial operations in 2025, assuming the GRA has been executed and all permits and other approvals have been obtained reasonably in advance of that time.</li> </ul> <p><b><i>Investment:</i></b> WM anticipates that it will invest approximately \$40 million to achieve commercial operation of the RNG Facility and associated infrastructure.</p> <p><b><i>Tax Credits and Incentives:</i></b> WM shall be the sole owner of all tax credits, environmental attributes and other incentives associated with the ownership and operation of the Facility and production of RNG in connection therewith.</p>
<p><b>3. Additional Documentation</b></p>	<p>In addition to the GRA, the Parties anticipate the need to also negotiate a real property lease in connection with the RNG Facility.</p> <p>WM will prepare the initial drafts of these agreements and endeavor to present them to the County no later than sixty (60) days after the execution of the MOU.</p>