

The Bonneville Environmental Foundation

City of Ashland, Oregon

Green Tag Agreement

Terms and Conditions for

Co-Marketing Green Tag Retail Sales

RECITAL

This is an agreement for the co-marketing of Green Tags made available for sale by the Bonneville Environmental Foundation (BEF). Each Green Tag represents all the environmental (non-power) attributes associated with the generation of one Megawatt-hour (MWh) of electricity from qualified renewable electric energy generating facilities.

This is an Agreement ("Agreement") dated June 28, 2007, between the Bonneville Environmental Foundation ("BEF"), located at 240 First Avenue, Portland OR 97204, and the City of Ashland, OR ("ASHLAND"), located at 90 North Mountain Avenue, Ashland, OR 97520. In this document, BEF and ASHLAND may be referred to individually as "Party" or collectively as "Parties."

Part 1. The Bonneville Environmental Foundation's Commitments

- 1. Purchase and Delivery:** BEF agrees to deliver Green Tags from the renewable energy facility or facilities designated in Exhibit A of this Agreement (the "Specified Resources") in the quantity and over the time period necessary to meet its delivery obligations to individuals, businesses and other parties who identify themselves as utility customers of ASHLAND and/or ask that their purchases of BEF Green Tags be credited to ASHLAND (collectively, "Affiliated Customers"), except as provided in the following paragraph.
- 2. Delivery Contingencies:** BEF's delivery of Green Tags is subject to uncertainties, including the number and duration of scheduled and unscheduled maintenance operations, and other factors beyond the control of BEF.

At BEF's discretion, but consistent with requirements for Green-e/The Center for Resource Solutions ("Green-e") certification as provided in Paragraph 6 of this Agreement, for deliveries within any calendar year, BEF may supply to the Affiliated Customers Green Tags generated from the Specified Resources: (i) during the same

calendar year; or (ii) during the first quarter of the following calendar year; or (iii) during the last two quarters of the preceding calendar year, or (iv) from another renewable energy facility with comparable resource and operating characteristics and within the same time periods.

3. **Documentation:** BEF agrees to obtain and maintain independently verified information necessary to substantiate its acquisition of Green Tags from each Designated Facility, including the description of the resource, the number of Green Tags produced, and the calendar year in which they were produced.

BEF will provide to ASHLAND annually a statement of the amount of Green Tags purchased by the Affiliated Customers pursuant to this agreement, and the estimated fossil fuel emissions avoided as a consequence of these purchases.

4. **Transfer of Environmental Attributes:** BEF agrees that credit for the environmental attributes (as described in detail on BEF's web site) associated with BEF's Green Tags will pass through intact to the Affiliated Customers who purchase those Green Tags, and that BEF will not make any claims or reserve any rights with respect to environmental attributes for Green Tags that have been resold to the Affiliated Customers.
5. **Product Price:** BEF's present price for a Green Tag based on production from wind and solar energy facilities and sold through the BEF web site is twenty dollars (\$20.00) for wind, twenty-four dollars (\$24.00) for 90% wind and 10% solar, or fifty six dollars (\$56.00) for 100% solar. BEF retains the right, without reservation, to modify both the resource mix (consistent with Green-e certification requirements) and purchase price at its sole discretion.
6. **Product Integrity:** BEF represents that it will perform due diligence for the Green Tags that it acquires and sells to ensure that only one Green Tag is issued for each megawatt-hour of electricity generated from a Designated Facility, that each Green Tag is sold only once, and that the electricity generated in association with the Green Tag is sold without any claim or assertion of rights by any other party with respect to any of the environmental attributes associated with the Green Tag, except as otherwise provided by law. Furthermore, BEF will maintain an appropriate chain of custody as each Green Tag is passed intact and without modification from the supplier, through BEF, to the Affiliated Customers. BEF will have performed an annual audit of its Green Tag transactions by a qualified independent auditor, and upon request for any calendar year covered by this Agreement, will provide a copy of that audit to ASHLAND.
7. **Certification:** BEF represents that the Green Tags to be provided to the Affiliated Customers are derived from qualified renewable energy resources as defined by Oregon law SB 1149, are consistent with the product requirements established by Green-e, and are certified by Green-e, a national organization organized to certify such products nationally.

8. **BEF Sales to Affiliated Customers:** BEF will sell Green Tags to Affiliated Customers who ask ASHLAND to provide their names and orders for Green Tags to BEF, or to Customers who purchase Green Tags directly from BEF or via the BEF web site and identify themselves as ASHLAND customers and/or ask that their purchases of BEF Green Tags be credited to ASHLAND. BEF's web site will provide a menu that affords such Affiliated Customers with the opportunity to so identify themselves. If an Affiliated Customer elects, in lieu of a purchase of Green Tags, to make a directed contribution to BEF for the purchase and retirement of Green Tags, BEF will assist the Affiliated Customer by providing documentation as needed for the Affiliated Customer to claim any tax deduction for which the Affiliated Customer is eligible, provided that BEF is not qualified to and will not provide tax advice to any party.

9. **BEF Reinvestment Commitment to ASHLAND:** BEF's mission as a non-profit foundation is to reinvest net revenues from its business operations into new renewable energy facilities and watershed restoration activities. Consistent with this mission, and for the term of this Agreement, BEF commits to reinvestment of 10% of BEF gross revenues or one-dollar (\$1.00) per Green Tag sold pursuant to this Agreement, whichever is the lesser amount. BEF commits to reinvest this amount into a renewable energy facility or facilities in the city of Ashland, selected in consultation with ASHLAND, provided, however, that BEF may withhold this payment if, in its sole judgment, doing so enables BEF to offer a more competitive price for Green Tags for sale of at least five-hundred (500) Green Tags per year to any government or institutional customer of Green Tags located within the City of Ashland.

Additionally, BEF commits to ASHLAND that all BEF revenues from sales under this Agreement, net of BEF's costs, will be employed by BEF and/or its suppliers in support of new renewable energy resources to be developed and operated in the Pacific Northwest or in support of watershed restoration through BEF's New Model Watershed Program in the Pacific Northwest.

10. **BEF Communications Assistance:** BEF will provide advice and assistance to ASHLAND in developing its communications strategies and tools for encouraging Green Tag purchases by the Affiliated Customers. BEF will mail or e-mail at least two acknowledgements per year to Affiliated Customers providing information that may include Green Tag program status, performance of the renewable energy facilities producing the Green Tags, development of new renewable energy facilities, and other pertinent subjects. At the conclusion of the calendar year, BEF will provide Green Tag Certificates documenting the delivery of Green Tags to the Affiliated Customers. In addition, BEF at its discretion may elect to market directly to the Affiliated Customers.

Part 2. ASHLAND's Commitment

11. Marketing Facilitation to ASHLAND Customers: ASHLAND agrees to facilitate the marketing of BEF Green Tags to individuals, businesses and other parties who identify themselves as utility customers of ASHLAND. Such facilitation may include but is not limited to newsletter and direct mail communications, media advertising and other means that seem advisable to ASHLAND, at its sole discretion (except as provided below) but in consultation with BEF. ASHLAND's commitment to market BEF Green Tags is non-exclusive.

ASHLAND's marketing facilitation will include at a minimum two communications per calendar year to ASHLAND utility customers describing the co-marketing affiliation between ASHLAND and BEF, the environmental value of a BEF Green Tag purchase, the benefits to ASHLAND and its members of such a purchase, and the information necessary for the customer to complete a mailed or web-based Green Tag purchase from BEF.

12. Identification of an Affiliated Customer: In order that BEF may properly track and account for all Affiliated Customer purchases, and provide the appropriate reinvestment credit to ASHLAND, each Affiliated Customer must reasonably indicate on their check to BEF that they are an ASHLAND utility customer (e.g., write "member/customer of City of Ashland"), or designate "ASHLAND" in the "Affiliate" field of BEF's web site when making a web-based purchase. ASHLAND commits to informing its utility customers that such identification is essential to the success of the co-marketing effort. BEF will provide no credit to ASHLAND for a Green Tag purchaser who fails to so identify himself as an Affiliated Customer.

13. Tags For Customer Use: ASHLAND agrees to advise the Affiliated Customers that the Green Tags are being purchased and used for the purpose of offsetting or mitigating environmental impacts of the Affiliated Customers' personal or business energy use, and that they should not expect to be able to resell or otherwise transfer the Green Tags or any portion thereof to any other person for any purpose.

14. Delivery Contingencies: ASHLAND understands that BEF will undertake to match BEF's acquisition with its sale of Green Tags within any contract period, but that the timing of BEF's purchase of Green Tags is subject to the conditions set forth in Part 1, Paragraph 2 above.

15. Acknowledgements: ASHLAND acknowledges that BEF is not an electric utility or a provider of electricity; that the purchase of Green Tags is separate and distinct from the purchase of electricity; and that Green Tags do not substitute for electricity. ASHLAND will advise the Affiliated Customers as it deems necessary that they will still need to obtain or maintain electricity service from another source.

Part 3. The Fine Print

1. **Force Majeure:** Neither Party shall be liable to the other Party, nor deemed to be in breach of this Agreement, for failure or delay in performance arising from a Force Majeure. Force Majeure means an event beyond the reasonable control of the affected Party, and which the Party is unable to prevent or provide against by exercising reasonable diligence. Force Majeure events include, but are not limited to, acts of God, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, tornadoes, volcanoes, fires, storms, floods, disasters, civil disturbances, explosions, sabotage, failure of the specific resource from which the Green Tags are produced, the binding order of any court or governmental body which by exercise of due foresight the Parties could not reasonably have been expected to avoid, changes after the date hereof in Federal, State, or local laws or appropriations, but expressly excluding a Party's financial inability to perform.
2. **Limitation of Liability:** In no event shall either party be liable to the other party for indirect, special, incidental, or consequential damages, including but not limited to the loss of revenues or profits, cost of substitute services, cost of purchased power, loss of opportunity, loss of goodwill, loss of data, governmental sanctions or penalties or claims of third parties, whether such liabilities arise as a result of breach of contract, warranty, indemnity, tort, negligence, strict liability or otherwise; and BEF and ASHLAND hereby release each other from any such liabilities.
3. **Governing law:** This agreement shall be governed by the laws of the State of Oregon.
4. **Arbitration:** Any disputes which may arise under this Agreement and which can not be resolved by the Parties through good faith negotiation will be, in order to ensure rapid and economical resolution, submitted to final and binding arbitration in Portland, Oregon before Arbitration Service of Portland, Inc. ("ASP") according to its rules, provided, however, that (i) any dispute where the amount in controversy is less than \$50,000 will be resolved before a single arbitrator, and (ii) the Parties remain free to agree in connection with any particular dispute that they may arrange for arbitration outside of ASP.
5. **Entire Agreement:** This Agreement, including all provisions, exhibits incorporated as part of this Agreement, and documents incorporated by reference, constitutes the entire agreement between the Parties. This Agreement supersedes all previous communications, representations, or contracts, either written or oral, which purport to describe or embody the subject matter of this Agreement.
6. **Amendments:** No amendment, rescission, waiver, modification, or other change of this Agreement shall be of any force or effect unless set forth in a written instrument signed by authorized representatives of each Party.

7. **Severability:** If any term of this Agreement is found to be invalid by a court of competent jurisdiction then such term shall remain in force to the maximum extent permitted by law. All other terms shall remain in force unless that term is determined not to be severable from all other provisions of this Agreement by such court.

Part 4. The Signatures

The persons signing below represent that they are authorized to enter into this Agreement on behalf of the Party for whom they sign.

Bonneville Environmental Foundation

ASHLAND:

By: _____
(Signature)

By: _____
(Signature)

Name:
(Print/Type)

Name: _____
(Print/Type)

Title: President

Title: _____

Date: _____

Date: _____

EXHIBIT A: ADDENDUM TO GREEN TAG SALES AGREEMENT

This Addendum describes the transaction-specific details of the Green Tag deliveries that will be made to the Affiliated Customers as a consequence of their purchases of Green Tags from BEF, including a description of the primary facilities from which the Green Tags are expected to be produced, the conditions of BEF's performance of its obligations, and the price and quantity of Green Tags that are the subject of this Agreement.

I. DURATION AND TERM OF AGREEMENT

This Agreement is effective as of June 11, 2006 and terminates on December 31, 2010. Either Party shall have the right to terminate this Agreement by providing 90 days written notice to the other Party. Commencing June 11, 2006 and ending December 31, 2010, BEF agrees to treat as Affiliated Customers all ASHLAND utility customers who purchase Green Tags and properly identify themselves, and to credit their purchases toward BEF's reinvestment commitment under this Agreement.

II. DESCRIPTION OF THE SPECIFIED RESOURCES

The Green Tags that are the subject of this Agreement are expected to be produced from the following electric generating facilities. BEF may modify this list at its discretion, removing certain facilities and adding others which are substantially similar to the original roster of resources:

—Blue Canyon Wind Farm*—

Fuel Source:	Wind
Maximum Facility Power Output (MW):	74.25 megawatts
Estimated Annual Energy Output (MWh):	182,120 MWh
Facility Location:	Comanche County, OK
Startup Date (Actual or Expected):	December 23, 2003
Other Identifying Criteria (If Any):	EIA # 56081

—Condon Wind Farm*—

Fuel Source:	Wind
Maximum Facility Power Output (MW):	24 megawatts
Estimated Annual Energy Output (MWh):	63,000 MWh
Facility Location:	Condon, OR
Startup Date (Actual or Expected):	December 31, 2001
Other Identifying Criteria (If Any):	EIA # 55739

—Edgeley/Kulm Wind Farm—

Fuel Source:	Wind
Maximum Facility Power Output (MW):	40.5 megawatts
Estimated Annual Energy Output (MWh):	183,960 MWh
Facility Location:	LaMoure County, ND
Startup Date (Actual or Expected):	October 2003
Other Identifying Criteria (If Any):	EIA # 56099

—Foote Creek II Wind Farm*—

Fuel Source:	Wind
Maximum Facility Power Output (MW):	1.8 megawatts
Estimated Annual Energy Output (MWh):	5,000 MWh
Facility Location:	Carbon County, WY
Startup Date (Actual or Expected):	6/99
Other Identifying Criteria (If Any):	EIA #55610

—Foote Creek IV Wind Farm*—

Fuel Source:	Wind
Maximum Facility Power Output (MW):	16.8 megawatts
Estimated Annual Energy Output (MWh):	49,000 MWh
Facility Location:	Carbon County, WY
Startup Date (Actual or Expected):	10/01/00
Other Identifying Criteria (If Any):	EIA #55610

—Klondike Wind Farm*—

Fuel Source:	Wind
Maximum Facility Power Output (MW):	24 megawatts
Estimated Annual Energy Output (MWh):	65,700 MWh
Facility Location:	Sherman County, OR
Startup Date (Actual or Expected):	December 2001
Other Identifying Criteria (If Any):	EIA #55871

—Kotzebue Wind Farm*—

Fuel Source:	Community Wind
Maximum Facility Power Output (MW):	0.56 megawatts
Estimated Annual Energy Output (MWh):	898 MWh
Facility Location:	Kotzebue, AK and Wales, AK
Startup Date (Actual or Expected):	05/99; 04/04; 10/04
Other Identifying Criteria (If Any):	

—Nine Canyon Wind Project, Phase I* —

Fuel Source:	Wind
Maximum Facility Power Output (MW):	48.1 megawatts
Estimated Annual Energy Output (MWh):	144,000 MWh
Facility Location:	Kennewick, WA
Startup Date (Actual or Expected):	September 2002
Other Identifying Criteria (If Any):	

—Nine Canyon Wind Project, Phase II* —

Fuel Source:	Wind
Maximum Facility Power Output (MW):	15.6 megawatts
Estimated Annual Energy Output (MWh):	47,000 MWh
Facility Location:	Kennewick, WA
Startup Date (Actual or Expected):	December 2003
Other Identifying Criteria (If Any):	

—St. Paul Island Wind Farm*—

Fuel Source:	Community Wind
Maximum Facility Power Output (MW):	0.25 megawatts
Estimated Annual Energy Output (MWh):	750 MWh
Facility Location:	St. Paul Island, AK
Startup Date (Actual or Expected):	07/00
Other Identifying Criteria (If Any):	

—Stateline Wind Farm*—

Fuel Source:	Wind
Maximum Facility Power Output (MW):	263 megawatts
Estimated Annual Energy Output (MWh):	733,000 MWh
Facility Location:	Walla Walla, WA and Helix, OR
Startup Date (Actual or Expected):	December 2001
Other Identifying Criteria (If Any):	EIA #55559

—Summerview Wind Farm*—

Fuel Source:	Wind
Maximum Facility Power Output (MW):	68.4 megawatts
Estimated Annual Energy Output (MWh):	378,000 MWh
Facility Location:	Pincher Creek, Alberta Canada
Startup Date (Actual or Expected):	Summer 2004

—Wilton Wind Project—

Fuel Source:	Wind
Maximum Facility Power Output (MW):	49.5 megawatts
Estimated Annual Energy Output (MWh):	130,000 MWh
Facility Location:	Burleigh County, ND
Startup Date (Actual or Expected):	01/06
Other Identifying Criteria (If Any):	EIA # 56357

—Miscellaneous Solar Power Projects—**

Fuel Source:	Solar
Maximum Facility Power Output (MW):	Approx. 200 kW
Estimated Annual Energy Output (MWh):	200,000 MWh
Facility Location:	Miscellaneous Locations in: AK, CA, OR, WA
Startup Date (Actual or Expected):	Miscellaneous, Post-1999
Other Identifying Criteria (If Any):	

Notes:

* These facilities have been reviewed, found to impose low environmental impacts, and endorsed by regional public interest groups.¹

** The regional public interest groups have specifically extended their endorsement to cover the operations of all solar generation facilities supplying Green Tags to BEF.

¹ The public interest organizations endorsing these projects vary by project location. Contact BEF for project-specific information.

III. QUANTITY OF GREEN TAGS

The number of Green Tags being delivered each year of the Agreement is unspecified and dependent on Affiliated Customer demand.

IV. PRICE OF GREEN TAGS

The initial unit price for each Green Tag delivered pursuant to this Agreement shall be twenty dollars (\$20.00) for wind, twenty-four dollars (\$24.00) for 90% wind and 10% solar, or fifty six dollars (\$56.00) for 100% solar for each Green Tag from a Designated Facility. BEF may modify this pricing at its discretion.

V. ADDITIONAL TERMS OF DELIVERY

The Affiliated Customers will be advised by BEF that, at BEF's discretion, but consistent with requirements for Green-e certification as provided in Paragraph 6 of this Agreement, for deliveries in any calendar year, BEF may supply to the Buyer Green Tags generated from the Specified Resources: (i) during the same calendar year; or (ii) during the first quarter of the following calendar year; or (iii) during the last two quarters of the preceding calendar year, or (iv) from another renewable energy facility with comparable resource and operating characteristics and within the same time periods.

VI. SIGNATURES

The persons signing below represent that they are authorized to approve the terms and conditions in this Exhibit on behalf of the Party for whom they sign.

**Bonneville
Environmental
Foundation**

ASHLAND:

By: _____
(Signature)

By: _____
(Signature)

Name: Angus Duncan
(Print/Type)

Name: _____
(Print/Type)

Title: President

Title: _____

Date: _____

Date: _____

Product Content Label for BEF *North American Wind* Green Tags – 2007



North American Wind Green Tags from the Bonneville Environmental Foundation are a renewable energy certificate product. For every unit of electricity generated from renewable sources, an equivalent amount of renewable certificates, or Green Tags, is produced. A purchase of BEF *North American Wind* Green Tags supports new¹ renewable electricity generation, which offset the environmental effects of burning coal, gas and other fossil fuels across North America. When you buy Green Tags, you will continue to receive a separate electricity bill from your utility.

North American Wind Green Tags are sold in blocks of 1,000 kWh. The product will be made up of the following new renewable resources:

New Renewable Resources	in BEF <i>North American Wind</i> Green Tags:	From Facilities Located in:
Wind	100%	Alaska, Kansas, North Dakota, Oklahoma, Oregon, Washington, Wyoming & Alberta (Canada)*
Solar	0%	Alaska, California, Maine, Oregon, Washington*
Biomass**	0%	Oregon*
Low-Impact Hydropower	0%	Kansas*

* This is representative of the content of BEF's *North American Wind* Green Tags at the time this label was created. BEF is both developing and purchasing new renewable resources to add to its mix. Under all circumstances BEF will only purchase new¹ renewable resources. As the product mix changes, BEF will disclose the changes on our web site. You may also call 1-866-233-8247 for information on our product mix.

** BEF purchases biomass Green Tags from a dairy waste to energy facility in Tillamook, Oregon.

For comparison, the current average mix of energy sources supplying the U.S. includes: 49.7% Coal, 19.3% Nuclear, 3% Oil, 18.7% Natural Gas, 6.5% Hydroelectric, 2.3% Renewables, .4% other gases, .1% other. (Source: U.S. Energy Information Administration, Electric Power Annual, October 2006.)

For specific information about this product, contact the Bonneville Environmental Foundation at 1-866-233-8247 or visit www.GreenTagsUSA.org.

This product is certified by the Green-e program. For more information, call 1-888-63-GREEN or visit www.green-e.org.

(¹ **New** indicates renewable generators that first started operating on or after January 1, 1997. These facilities help to change the overall energy mix toward more renewables and less burning of fossil fuels.)

Product Content Label for BEF *North American Solar* Green Tags – 2007



North American Solar Green Tags from the Bonneville Environmental Foundation are a renewable energy certificate product. For every unit of electricity generated from renewable sources, an equivalent amount of renewable certificates, or Green Tags, is produced. A purchase of BEF *North American Solar* Green Tags supports new¹ renewable electricity generation, which offset the environmental effects of burning coal, gas and other fossil fuels across North America. When you buy Green Tags, you will continue to receive a separate electricity bill from your utility.

North American Solar Green Tags are sold in blocks of 1,000 kWh. The product will be made up of the following new renewable resources:

New Renewable Resources	in BEF <i>North American Solar</i> Green Tags:	From Facilities Located in:
Wind	0%	Alaska, Kansas, North Dakota, Oklahoma, Oregon, Washington, Wyoming & Alberta (Canada)*
Solar	100%	Alaska, California, Maine, Oregon, Washington*
Biomass**	0%	Oregon*
Low-Impact Hydropower	0%	Kansas*

* This is representative of the content of BEF's *North American Solar* Green Tags at the time this label was created. BEF is both developing and purchasing new renewable resources to add to its mix. Under all circumstances BEF will only purchase new¹ renewable resources. As the product mix changes, BEF will disclose the changes on our web site. You may also call 1-866-233-8247 for information on our product mix.

** BEF purchases biomass Green Tags from a dairy waste to energy facility in Tillamook, Oregon.

For comparison, the current average mix of energy sources supplying the U.S. includes: 49.7% Coal, 19.3% Nuclear, 3% Oil, 18.7% Natural Gas, 6.5% Hydroelectric, 2.3% Renewables, .4% other gases, .1% other. (Source: U.S. Energy Information Administration, Electric Power Annual, October 2006.)

For specific information about this product, contact the Bonneville Environmental Foundation at 1-866-233-8247 or visit www.GreenTagsUSA.org.

This product is certified by the Green-e program. For more information, call 1-888-63-GREEN or visit www.green-e.org.

(¹ **New** indicates renewable generators that first started operating on or after January 1, 1997. These facilities help to change the overall energy mix toward more renewables and less burning of fossil fuels.)