# Community Benefits Agreement

### **PURPOSE**

The purpose of this Community Benefits Agreement ("Community Agreement") is to provide for a coordinated effort between Trailblazer CO2 Pipeline, LLC ("Trailblazer"), a Delaware limited liability company and a subsidiary of the Tallgrass Energy family of companies ("Tallgrass"), and Bold Education Fund Inc., a 501(c)(3) organization and Bold Alliance Inc., a 501(c)(4) (together identified as "Bold") Bold(and together with Trailblazer, the "Parties"), to ensure the continued wellbeing of social and economic conditions of the local community in addition to preserving impacted property and public safety. This Community Agreement establishes mutually agreed upon commitments to support local economic interest through the progression of the Project, as defined below, while protecting the interests of affected individuals and the community at large, including training and resources for emergency responders, public awareness efforts, easement conditions, current and future transparency regarding the Project and abandoned facilities, and fiscal contributions to the local community. In acknowledgement of their shared values of collaboration, integrity, safety, and accountability, the Parties recognize and affirm the commitments as laid out in this Community Agreement.

### SCOPE

Trailblazer is developing a carbon dioxide ("CO<sub>2</sub>") pipeline system within Nebraska that includes both a Main Line, as defined below, as well as the construction of new pipeline laterals ("Laterals") associated with sourcing CO<sub>2</sub> from Nebraskan facilities (the "Project").

# COMPANY BACKGROUND

Tallgrass, an infrastructure company based in Leawood, Kansas, has operated in Nebraska since its inception in 2012. Today, Tallgrass operates more than 2,500 miles of pipeline infrastructure across 47 counties in the state, employs over 100 Nebraskans and pays an average of \$6 million per year in state and local taxes. In Nebraska, Tallgrass has two large diameter natural gas pipeline systems which run nearly parallel to each other. The first is the Trailblazer pipeline, which is owned by Trailblazer Pipeline Company LLC ("TPC"), a subsidiary of Tallgrass. The second is the Rockies Express pipeline, which is owned by Rockies Express Pipeline LLC ("REX"), a joint venture of Tallgrass and Phillips 66. Trailblazer has been formed to construct, own, and operate a new CO<sub>2</sub> transportation system in Nebraska.

# HISTORY

In 2022, Tallgrass announced that TPC would be abandoning 392 miles of natural gas pipeline (the "Main Line") and related facilities and would be utilizing capacity from REX to continue providing natural gas service – thereby freeing the capacity of TPC's Main Line to serve as the mainline for a CO<sub>2</sub> transportation system, which has the capacity to transport more than ten million tons of CO<sub>2</sub> from potential emission sources in Nebraska, Colorado, and Wyoming to a sequestration hub located in Eastern Wyoming for

permanent underground storage. Once TPC abandons the Main Line, it will be transferred to Trailblazer for use in  $CO_2$  service.

Tallgrass will continue natural gas service at the same capacity and tariff rates to the customers and markets that TPC serves today including markets in Omaha, Lincoln and Beatrice, Nebraska, as well as multiple ethanol plants in the state. This will be achieved through a fifteen-year lease of capacity from REX to TPC. To replicate TPC's current service, REX will construct (under the Natural Gas Act) additional pipeline facilities and compressor stations, consisting of approximately 41 miles of new laterals, collocated primarily in existing easement corridors in Franklin, Webster, Adams, Jefferson, and Saline Counties, Nebraska ("New Natural Gas Infrastructure").

Utilizing REX to continue natural gas service and the TPC Main Line for CO<sub>2</sub> service maximizes the utilization of existing infrastructure and minimizes surface disturbance for landowners in Nebraska.

In May 2022, Tallgrass announced it had entered into an agreement with Archer-Daniels-Midland ("ADM") to support their Columbus, Nebraska ethanol plants by capturing, transporting, and storing the carbon dioxide byproduct which is created during the biofuel production process.

Trailblazer's ability to enable the creation of low-carbon, high-value, biofuels and feedstocks benefits not only the state's ethanol industry, which employes more than 6,000 Nebraskans and accounts for more than \$4 billion in economic activity, but also serves to benefit the tens of thousands of Nebraskan farmers who sell their grain to local ethanol facilities every year. Additionally, Trailblazer can position Nebraska as a global leader by directly enabling Nebraskan biofuels to be used to produce high-value products like sustainable aviation fuel, which will decarbonize the global aviation industry.

In 2023, REX's and TPC's joint application for abandonment was approved by the Federal Energy Regulatory Commission providing approval to take the TPC Main Line out of natural gas service, lease capacity from REX, and construct the New Natural Gas Infrastructure.

### RECITALS

Federal Oversight

TPC's infrastructure was built, and is maintained and operated, under PHMSA's regulations. In CO<sub>2</sub> service, both the Main Line and the Laterals are subject to PHMSA oversight and regulations. TPC acknowledges that PHMSA is working on new regulations and will abide by PHMSA regulations on CO<sub>2</sub> pipelines.

Incident Response

In the event of an incident involving a release on the pipeline, Trailblazer will in accordance with federal and state regulations directly manage any necessary emergency or environmental response including any required remediation for the incident.

ROW Acquisition

For the acquisition of the rights-of-way for the Laterals, it is Trailblazer's practice to make an easement purchase offer to landowners at fair market value as derived from property purchases in the county records received within one year prior to the offer's extension. During the negotiation process, Trailblazer engages in a good faith effort to accommodate landowner schedules, discussions, and fact finding to

attempt to arrive at a mutually agreeable arrangement. Tallgrass believes that eminent domain should only be used as a last resort, and therefore, it is Tallgrass's practice that a written "final offer and request to settle" letter is not provided to the landowner until the conclusion of a 90-day good faith negotiation period.

#### Labor and Local Content

Tallgrass has a long-established history of using its projects to create shared value by generating and growing economic opportunities related to the project's workforce, local supply chain, and communities, including utilizing both union and nonunion labor as well as local contractors, consultants, vendors and suppliers. Tallgrass will continue these practices in connection with the Project.

### **Prudent Hiring Practices**

Tallgrass will continue to abide by its existing hiring policy requiring contractors to conduct background checks of their employees and subcontractors as a part of their prudent hiring protocols to uphold the public safety of associated communities.

#### Conclusion

The Parties jointly acknowledge that the ethanol industry serves a vital role in Nebraska and that decarbonizing the industry can provide environmental and economic benefits to the state's ethanol industry and to the farmers who supply it. The Parties also jointly acknowledge that the repurposing of infrastructure results in more limited environmental impacts when compared to new pipeline construction.

# **AGREEMENT**

NOW, THEREFORE, in consideration of the mutual promises and terms and conditions set forth below in this Community Agreement, the Parties agree as follows:

### PUBLIC AWARENESS

Within 12 months of the Effective Date, Trailblazer will:

- Coordinate with the Nebraska Department of Emergency Management (NEMA) and commit \$100,000 to support the development or enhancement of a regional CO<sub>2</sub> emergency communication alert system. Tallgrass will make commercially reasonable efforts to have the system made public on the Fire Marshal's or NEMA's website.
- 2) Create a Project website to make information available to the public about the Project (including the anticipated route of the pipeline, length of the pipeline, and pressure of the pipeline), detailed CO<sub>2</sub> safety information including the basics of plume modeling, Trailblazer's contact information, and instructions on recognizing a CO<sub>2</sub> pipeline incident and what to do in such occurrence.

After the Project begins transporting CO<sub>2</sub> to sequestration sites ("Commercial Operations"):

 Trailblazer will utilize well-established resources through the United States Postal Service to dropship at least one mailer per calendar year to all addresses within all zip codes that include rightof-way, and homes within a one (1) mile radius, associated with the Project. Mailers will contain information related to recognizing a pipeline incident, general  $CO_2$  safety and emergency response information, and Trailblazer contact information. Trailblazer will also make e-mail delivery of its mailers available to any landowner that requests to receive the mailers via e-mail and provides the appropriate contact information.

### **EMERGENCY RESPONSE**

Within 12 months of the Effective Date, Trailblazer will:

- 4) Commit \$200,000 to fund the development and deployment of a First Responder CO<sub>2</sub> training program with the curriculum and the training deployment schedule to be reviewed by NEMA, the Nebraska Fire Marshal, and by the Nebraska Volunteer Fire Association. Further, Tallgrass will make commercially reasonable efforts to have the curriculum added to the annual Nebraska fire school training curriculum.
- Use commercially reasonable efforts to host a meeting with the Fire Marshal, NEMA and employees of Bold to review the pipeline route and plume models for the Project.
- 6) Prior to the Commercial Operations Date (as defined below), and every calendar year thereafter, provide material safety data sheets (SDS), PHMSA Emergency Response Guides (ERG), and potential hazard zone information to all relevant Nebraskan Local Emergency Planning Committees (LEPC)
- 7) Use commercially reasonable efforts to continue and broaden its existing coordination with NEMA, State Emergency Response Teams (SERT), and LEPCs whose jurisdictions are associated with the Project to include CO<sub>2</sub> incident response in their annual training programs.
- 8) Use commercially reasonable efforts to continue to broaden its existing coordination with NEMA, the Nebraska Fire Marshal, and the Nebraska Volunteer Firefighter Association to develop a First Responder grant program to which Trailblazer will commit \$400,000 to support emergency response organizations to purchase equipment that assists in the preparation, detection, and response to a CO<sub>2</sub> release. Following the Commercial Operations Date, Trailblazer will commit up to \$40,000 per year to replace any equipment that assists in the preparation, detection and response to a CO<sub>2</sub> release, if requested by any First Responders in the counties that include right-of-way with the Project.

# LANDOWNER PROTECTIONS & EASEMENT CONDITIONS

To protect the rights and interests of affected landowners of the Project, Trailblazer affirms it will operate in good faith effort to abide by the following conditions:

Survey

9) For land surveys of property where it does not already hold an easement, upon receiving survey permission, Trailblazer will make commercially reasonable efforts to provide a landowner with 48-hour notice prior to the survey. 10) If a landowner provided Trailblazer with survey permission for the Project and does not receive an easement payment from Trailblazer, then Trailblazer will offer a one-time payment of \$500 to that landowner.

### Acquisition

- 11) Initial offers to acquire rights-of-way for the Laterals that are first provided to landowners after the Effective Date ("New ROW Offers") will include the following, as each is further described in the applicable easement:
  - a. The option for landowners to choose between a one-time, lump-sum payment or annual easement payments as compensation for the use of an easement.
  - b. A provision that the landowner will have the right to terminate the easement if construction of the applicable pipeline does not commence within 7 years from the date of the execution of the easement, unless, at its option, Tallgrass extends the period by making an additional payment to the landowner.
  - c. A provision that, in the event Trailblazer files a release of the easement rights, after the applicable pipeline is emptied, disconnected from other pipelines, and sealed, consistent with the requirements of 49 CFR § 195.402(c)(10), and is no longer intended to be used by Trailblazer to transport CO2 or any other substance, Trailblazer, will, at the option of the landowner, either: (1) remove the applicable pipeline and reclaim and restore the affected property, or (2) abandon the buried portion of the applicable pipeline in place in accordance with all applicable regulations and laws. If, at the time of execution of the easement, the landowner makes an advance election that, in the event the applicable pipeline is Abandoned, that the buried pipeline be abandoned in place, the landowner will receive a one-time payment of \$15,000 following such abandonment in place.
  - d. Once the applicable pipeline is fully abandoned in accordance with the terms of the easement agreement, defined as 60 continuous months of nonuse of the easement rights, Trailblazer shall file in the county land records a release of the easement rights and the easement reverts back to the landowner.

#### **Operations**

12) Trailblazer agrees that easements for the Laterals will be used only for the transportation of the substance(s) articulated in the negotiated agreement unless written consent from the signatories to the agreement is obtained.

#### Decommissioning of New Lateral Pipelines

13) Trailblazer will establish and maintain a form of financial security chosen by Trailblazer, which may include a guaranty of Trailblazer's parent company, in an amount sufficient to fund the estimated costs of decommissioning and dismantling the Project at the conclusion of its scheduled operational life in accordance with the requirements of applicable federal and state laws, regulations, licenses, permits and approvals, the amount of which financial security instrument shall be revised no less frequently than every five years in order to keep pace with changes in such estimated costs.

# TRANSPARENCY & ACCOUNTABILITY

- 14) Bold agrees to provide Trailblazer prompt notice of (a) any land agent, contractor or employee of Trailblazer that Bold believes to be utilizing "eminent domain" as a threat and (b) any undesired behavior associated with anyone associated with Trailblazer either real or perceived. Notice will be provided through Trailblazer's community feedback mechanism via the community email (<a href="mailto:Community@Tallgrass.com">Community@Tallgrass.com</a>), which is maintained separately from the land, right-of-way, and operations organizations. Bold agrees that notice will include a description of the event, and sufficient information to allow for identification of the Trailblazer/contractor representative, such as a name, location of incident, license plate, or landowner's name.
- 15) Bold will not make any public statements or announcements in opposition to the Project and will not interfere in the development of the Project, so long as Trailblazer is in compliance with the Community Agreement.

# COMMUNITY INVESTMENT AND LANDOWNER BONUS

If the Project begins Commercial Operations by September 30, 2025 ("Commercial Operations Date"), Trailblazer will:

- 16) Coordinate with a nonprofit organization, agreed to by the Parties ("the Foundation"), to establish a community investment vehicle ("the Fund") to support the counties that contain Trailblazer rights-of-way. Trailblazer will establish the Fund with an initial investment of \$500,000 within 180 days of the date Commercial Operations is achieved. Payments made from the Fund will be at the discretion of the Foundation, and do not need to be associated with pipeline safety. Beginning on the first anniversary of the Commercial Operations Date and continuing through December 31, 2035, within 180 days of each appliable anniversary, Trailblazer will make an additional donation in an amount to such vehicle equal to \$0.10 multiplied by the number of metric tons of CO<sub>2</sub> sequestered by the Project in the 12 months prior to the applicable anniversary ("Sequestered Volume"). The Sequestered Volume, as measured and reported to the EPA, will be provided to the Foundation and Bold.
- 17) Beginning on the first anniversary of the Commercial Operations Date and continuing through December 31, 2035, each year, within 180 days of the anniversary of the Commercial Operations Date, Trailblazer will make bonus payments to landowners whose land is subject to a CO<sub>2</sub> pipeline easement with Trailblazer that equal, in the aggregate, \$0.10 multiplied by the number of metric tons of CO<sub>2</sub> sequestered by the Project in the 12 months prior to the applicable anniversary. Each landowner's pro rata share of the aggregate amount paid out by Trailblazer in a year will be based on the linear length of the CO<sub>2</sub> pipeline easement held by Trailblazer on such landowner's property relative to the total linear length of all CO<sub>2</sub> pipeline easements held by Trailblazer. The verified Sequestered Volume, as measured and reported to the EPA, will be made available to the landowners and Bold.

### **GENERAL PROVISIONS**

**Public Announcements** 

18) Within 14 days of the Effective Date, the Parties shall (a) make the Community Agreement publicly available and (b) publicly announce the successful execution of the Community Agreement and each Party's support for the Project. The Parties shall coordinate any initial announcements to ensure alignment.

### Default and Remedies

- 19) **Default**. Failure by any Party to perform or comply with any term or provision of this Community Agreement, if not cured, shall constitute a default under this Community Agreement.
- 20) Right to Cure. If any Party believes that another Party is not complying with its obligations under this Community Agreement, it shall provide written notice to the allegedly non-complying Party of the non-compliance; offer to meet and confer in good faith effort to resolve the issue; and except where delay may cause irreparable injury, provide 60 days to cure the alleged noncompliance, commencing at the time of the notice. Any notice given pursuant to this provision shall specify the nature of the alleged non-compliance and, where appropriate, the manner in which the alleged non-compliance may be cured.
- 21) Remedies. If default occurs under this Community Agreement, the remedies of the non-defaulting Party will be to terminate this Agreement or to seek specific performance of this Agreement. The Parties shall not have any liability or obligation to pay damages to one another or to any other person or entity as a result of or attributable to any event of default or other breach or violation of this Agreement.

### Severability

22) Each provision of this Community Agreement is severable. If any provision of this Community Agreement is determined to be illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision shall not affect (a) the legality, validity or enforceability of the remaining provisions of this Community Agreement, or (b) the legality, validity or enforceability of that provision in any other jurisdiction; and provided further, the subject provision shall be applied to the fullest extent permitted by applicable law, and the Parties shall revise the provision so as to confirm their mutual intention upon entering this Community Agreement and yet be legal, valid and enforceable in the applicable jurisdiction. The provisions of this section shall survive the termination of this Community Agreement.

#### **Notices**

23) Unless specifically provided above, all notices to be given with respect to this Community Agreement shall be given to the Parties in writing. All notices shall be effective upon actual receipt by the Party to whom given during normal business hours; and if receipt occurs outside of normal business hours, the receipt shall be deemed to have occurred on the immediate next business day.

### TRAILBLAZER CO2 PIPELINE, LLC

370 Van Gordon St. Lakewood, CO 80228

Attention: Legal Notices

Email: Legal.Notices@tallgrass.com

#### **BOLD ALLIANCE INC.**

PO Box 254

Hastings, NE 68902

Attention: Jane Kleeb

Email: jane@boldalliance.org

#### **BOLD EDUCATION FUND INC.**

PO Box 254 Hastings, NE 68902 Attention: Jane Kleeb

Email: jane@boldalliance.org

The individual and/or addresses for notices may be changed upon written notice to the other party which is sent in the manner stated herein.

Binding on Successors; Third Party Beneficiaries

24) No Party may assign, transfer, or delegate any or all of its rights or obligations under this Community Agreement without the prior written consent of the other Party. This Community Agreement shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, and permitted assigns of each of the Parties. Any reference in this Community Agreement to a specifically named party shall be deemed to apply to any successor in interest, heir, administrator, executor, or assign of such party. The Parties do not confer any rights or remedies upon any person other than the Parties to this Community Agreement and their respective successors and permitted assigns.

### Relationship of Parties

25) Neither this Community Agreement nor any activities undertaken by the Parties pursuant to this Community Agreement, nor any communications had or to be had among the Parties or with any person or entity relating to the activities contemplated by this Community Agreement are intended to or will create or establish a partnership, relationship of trust or agency, joint venture or any other business association between or among the Parties. No Party may assert, and each Party expressly waives any rights to assert, under any applicable law or otherwise, that any such association exists based upon this Community Agreement or any actions taken hereunder by or on behalf of a Party.

#### Counterparts

26) This Community Agreement may be executed in multiple original counterparts, each of which shall be deemed an original, and together they shall constitute one and the same. Signature of this Community Agreement may be effected by facsimile (with confirmation by transmitting machine) and/or transmitted by portable document format ("pdf") file which shall be treated as an original signature, and any such signature, facsimile, pdf file or copy of this signed Community Agreement shall be construed and treated as the original and shall be binding as if it were the original.

### Entire Agreement

27) This Community Agreement constitutes the entire agreement between the Parties ss and supersedes any prior written or oral agreements, or contemporaneous communications with respect to this subject matter. No subsequent amendment to this Community Agreement between the Parties shall be binding on any Party unless reduced to writing and signed by an authorized representative of each Party. Preparation of the Community Agreement has been a joint effort of the Parties, and the resulting documents shall not be construed more severely against one of the Parties than against the others.

### Effective Date of Agreement

28) This Agreement shall become effective upon the execution and delivery hereof by the Parties hereto.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties have executed this Community Agreement as of March 27, 2024. By signing below, the Parties affirm that the individual signing below has the requisite authority to authorize the commitment described herein.

# COUNTERPARTIES

Trailblazer CO2 Pipeline, LLC

Bv:

Name: Matthew Sheehy

Title: President and CEO

**Bold Alliance Inc.** 

By:

Name: Jane Kleeb

Title: Director

**Bold Education Fund Inc.** 

Bv:

Name: Jane Kleeb

Title: Director

The below signed have no legal obligation associated with the Agreement but signed in support of its content

Renewable Fuels Nebraska

By:

Name: Dawn Caldwell Title: Executive Director Nebraska Farm Bureau

Pol Shobertan

Name: Mark McHargue

Title: President

**Nebraska Corn Growers Association** 

By:

Name: Chris Grams Title: President

**Nebraska Cattlemen** 

By:

Name: Laura Field

Title: Executive Vice President

Nebraska Sorghum Producers

**Association** 

Association

Name: Kristine Dvoracek-Jameson

Title: Executive Director

**Nebraska Pork Producers** 

Nebraska State Dairy Association

BY: Now

Name: Kris Bousquet Title: Executive Director

**Nebraska Soybean Association** 

By: Shappye

Name: Kent Grotelueschen

Title: President

By:

Name: Al Juhnke

Title: Executive Director

We Support Ag

Ву:

Name: Steve Martin Title: Executive Director

Nebraska State Volunteer
Firefighters Association

Nebraska Farmers Union
By:

Shad R. Bunce

Name: Shad Bryner Title: President

Name: John K. Hansen

Title: President