Good Neighbor Agreement

This Good Neighbor Agreement (**Agreement**) is entered effective December 18, 2015 (**Effective Date**) by and between Intel Corporation (**Intel**) and Neighbors for Clean Air (**NCA**), and the Northwest Environmental Defense Center (**NEDC**) (collectively referred to as the **Neighbor Groups**). Intel and the Neighbor Groups are collectively referred to as the **Parties**.

RECITALS

- A. Intel owns and operates two semiconductor fabrication facilities located in Washington County, Oregon, that are known as the Aloha Plant and the Ronler Acres Plant (collectively, the **Facility**).
- B. On December 20, 2010, the Oregon Department of Environmental Quality (**DEQ**) approved the construction of new semiconductor manufacturing equipment pursuant to NC No. 025587 (the **D1X Expansion**).
- C. The Neighbor Groups have alleged that construction and operation of the D1X Expansion pursuant to NC No. 025587 was in violation of the Oregon State Implementation Plan.
- D. The Neighbor Groups have expressed concerns about the impact of emissions from the Facility on people living, working and going to school in Hillsboro and Washington County.
- E. On October 22, 2013, the Neighbor Groups issued a 60 Day Notice of Intent to Sue under the Clean Air Act alleging violations of the Oregon State Implementation Plan (the **Notice Letter**).
- F. On May 29, 2014, Intel and the Neighbor Groups entered into a Settlement Agreement (the **Settlement Agreement**) in which the Parties committed to working together to develop this Agreement.
- G. On December 31, 2014, Intel submitted to DEQ a Type 4 Air Contaminant Discharge Permit addressing the D1X Expansion (the **Type 4 Permit Application**).
- H. The Parties desire to continue to work cooperatively to improve livability and safety in Hillsboro and Washington County.
- I. The Parties enter into this Agreement to recognize completed commitments in the Settlement Agreement, effectuate and delineate the remaining commitments in the Settlement Agreement, and to establish the framework and obligations toward:
- 1. Providing the Parties and the public with accurate information about emissions, impacts, and reductions;

- 2. Reducing emissions from the facility;
- 3. Ensuring the air quality permits issued to Intel are consistent with and include elements of the Good Neighbor Agreement, and;
 - 4. Encouraging open communications and understanding between Intel and its neighbors in Washington County.

TERMS OF AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the Parties mutually agree as follows:

- 1. Completed Work Plan Commitments. Intel and the Neighbor Groups agree that Intel has met the following commitments contained within the Settlement Agreement:
- 1.1 Meteorological Monitoring. On June 13, 2014, Intel installed and has subsequently maintained meteorological stations at the Aloha and Ronler Acres campuses of the Facility as anticipated by Section I.F.4 of the Settlement Agreement. Intel shall continue to maintain its meteorological data stations at the Aloha and Ronler Acres campuses of the Facility and shall continue to make those data reasonably available to the public via the exploreintel.com web page for the life of this Agreement.
- 1.2 Intel has performed emissions testing and prepared an emissions inventory in concert with the Neighbor Groups as anticipated by Sections I.F.1 and I.F.2 of the Settlement Agreement.
- 1.3 On May 18, 2015, Intel submitted a draft ambient air quality monitoring protocol to the Neighbor Groups who, in turn, submitted comments on June 17, 2015. Intel subsequently responded to comments thereon as anticipated by Section I.F.5 of the Settlement Agreement.
- 1.4 On November 12, 2015, Intel completed and released the results of an Air Quality Health Risk Assessment for the Facility. The assessment was conducted in material compliance with the procedures specified in South Coast Air Quality Management District Rule 1402, as published on May 29, 2014 and as amended by the Settlement Agreement, and evaluated risk posed by Toxic Air Contaminants (**TACs**) at residences and sensitive receptors and compared these risks to the acceptable risk levels, all as anticipated by Section I.F.3 of the Settlement Agreement. The results of the Air Quality Risk Assessment are publicly available at the oragac.com web page.
- 2. Ambient Air Quality Monitoring. Intel shall provide up to \$150,000 to fund community ambient air monitoring to be conducted according to a monitoring plan approved by the Neighbor Groups and Intel. A qualified third party acceptable to Intel and the Neighbor Groups shall conduct the ambient air quality monitoring. Intel shall make payment directly to the third party conducting the monitoring and according to a schedule set forth in the approved monitoring plan. The third party conducting the

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monitoring shall submit invoices for work performed to Intel and simultaneously submit a copy of each invoice to the Neighbor Groups. Payment shall be due within 60 days of receipt by Intel of the invoice. Intel's liability under this paragraph shall cease upon payment of \$150,000 toward the work described in the approved air monitoring plan.

3. Emission Reduction Targets. Intel shall employ reasonable efforts to achieve the target reductions of TACs identified in **Attachment A** by the dates specified in **Attachment A**. Intel shall provide the Neighbor Groups with at least annual updates as to its success in meeting the target reductions, but DEQ will not be requested by the Parties to incorporate the target reductions into Intel's air permits. These target reductions are intended to incent Intel to minimize its air emissions and not to prevent expansion or development of the Facility.

4. Emissions Monitoring.

- 4.1 Intel agrees to perform periodic testing on the scrubbers and rotary concentrator thermal oxidizers for the TACs and on the schedule specified in **Attachment B** (the **Emission Tests**).
- 4.2 Intel shall allow representatives of the Neighbor Groups a reasonable opportunity to observe the Emission Tests that are undertaken pursuant to this Agreement. The Neighbor Groups shall coordinate with Intel regarding scheduling such observations and shall provide Intel the names of the representatives at least 10 days prior to such inspection. The Neighbor Groups' representatives shall be limited to no more than three persons each of whom shall comply with reasonable limitations imposed by Intel for safety and protection of confidential business information.
- 4.3 Intel shall also provide to the Neighbor Groups, upon written request directed to Intel as provided in paragraph 12.1 below, the raw data generated by the Emission Tests.
- 4.4 Intel shall also provide to the Neighbor Groups the reports prepared by the testing company summarizing the results of the Emission Tests.

5. Continuous Emissions Monitoring.

equipment as needed to meet any continuous monitoring obligations identified in **Attachment C**. Prior to installation of equipment to meet the obligations of **Attachment C**, Intel shall provide Neighbor Groups with the technical and operational specifications of equipment for verification purposes. For equipment required by **Attachment C** that is already in place, Intel shall provide the AQAC with an overview of that equipment and how it works at the 2nd Quarter 2016 AQAC meeting. Equipment identified in **Attachment C** shall only be replaced with comparable or better components. Installation or replacement of equipment required under **Attachment C** can proceed prior to presentation to the AQAC so long as the new or replacement equipment is comparable to or better than what was previously installed on comparable units. Under

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no circumstances must Intel delay installation of any equipment necessary for compliance with any legal or contractual requirement.

- 5.2 Continuous Emissions Monitoring Reporting. Intel shall provide the AQAC at quarterly meetings and/or make available on oraqac.com the upset log identifying times when parameters identified in Attachment C are outside the operating ranges and the corrective action taken.
- 6. Clean Air Act Permit. During the term of this Agreement, before Intel submits any application to DEQ for any Clean Air Act permit for the Facility, the Parties shall determine and agree, with the advice and input from the AQAC, which provision(s) of the Agreement and Attachments, if any, shall be requested for inclusion as terms of such permit.
- 7. Air Quality Advisory Committee. The Parties shall establish an Air Quality Advisory Committee (**AQAC**) to promote continuous improvement in neighborhood safety and livability in Washington County as impacted by Intel's operations, and to facilitate communications between Intel and its neighbors.
 - 7.1 AQAC Principals. Intel, NCA and NEDC shall be AQAC Principals.
- 7.2 AQAC Representatives. The AQAC representatives (**Representatives**) will be appointed as follows:
- 7.2.1 The Neighbor Groups will appoint at least five Representatives and two alternates. No meeting of the AQAC shall take place without at least three of Groups' Representatives or alternates present.
- 7.2.2 Intel will appoint at least two Representatives and one alternate, who shall include an environmental manager responsible for the Facility and an officer or employee of Intel authorized to speak for the company. No meeting of the AQAC shall take place without at least two of Intel's Representatives or alternates present
- 7.3 AQAC Meetings. The AQAC shall meet at least quarterly. Each AQAC meeting shall be open to public observation except to the extent that confidential business information will be reviewed or discussed. No confidential business information will be discussed in any meeting where persons not subject to a current Intel non-disclosure agreement are present. Each public meeting shall provide interested members of the public with a reasonable opportunity to provide oral comments to the AQAC. By January 1 of each year, the AQAC will establish its schedule of regular meetings for that year. Intel will notify the AQAC Representatives of the meeting date, time and place at least 15 days in advance of each meeting.
- 7.4 AQAC purpose. The AQAC is not a voting body that makes policy. Rather, the AQAC is a framework through which Intel and the Neighbor Groups can communicate regarding air quality and seek to reach an agreement on future actions.

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- 7.5 AQAC sub-committees. The AQAC may establish by simple majority vote sub-committees to accomplish its mission. Members of AQAC sub-committees shall be nominated by a AQAC Representative and confirmed by simple majority vote. Any person may serve upon a sub-committee but at least one-third of the members of any sub-committee shall represent Intel.
- 7.6 Community input and technical support. The AQAC may call upon the assistance of local residents and any person with particular experience or knowledge to provide input and technical support to the AQAC as needed.
- 7.7 Agendas and work plan. Each AQAC Representative shall have input into the agenda of each AQAC meeting. During the term of this agreement, the AQAC shall execute a plan of work including at least the following:
- 7.7.1 The AQAC shall develop a plan for ambient air quality monitoring in the community to be funded with the payment described in paragraph 2. The monitoring plan requires approval by both Intel and the Neighbor Groups and shall be implemented by a third party acceptable to both Intel and the Neighbor Groups.
- 7.7.2 The AQAC shall evaluate the benefit of seeking funding opportunities to conduct monitoring beyond that anticipated under paragraphs 2 and 7.7.1 and to develop community knowledge about air quality.
- 7.7.3 The AQAC shall review and comment on the annual update reports provided pursuant to paragraph 8.
- 7.7.4 The AQAC shall review and consider measures to reduce emission from the Facility. At the request from a majority of Representatives on the AQAC, Intel shall give reasonable consideration and a written response to specific emission reduction measures identified by the AQAC, provided that Intel shall have no obligation to implement any such measures and Intel shall retain exclusive control over its manufacturing operations and its management systems.
- 7.8 Administrative support. Intel shall provide administrative support to the AQAC, including maintaining a current list of Representatives, sending meeting notices, preparing draft meeting agendas, minutes and summaries and managing timely approval of minutes by the AQAC.

8. Required Communications.

- 8.1 Intel shall send the Neighbor Groups a copy of any annual or semiannual reports submitted by Intel to DEQ pursuant to Intel's air permit.
- 8.2 Intel shall provide the Neighbor Groups with any Excess Emission Report, required under OAR 340-214-0340, at the same time any such report is sent to DEQ.
- 8.3 Intel shall report to the AQAC at least quarterly as to any of the following events that took place at or in relation to the Facility:

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- 8.3.1 any excess emissions and upsets reported to the Department during the most recent calendar quarter,
- 8.3.2 any stack testing completed since the last AQAC meeting, any stack testing planned before the next AQAC meeting,
- 8.3.3 any requests to DEQ for authority to modify emission factors or emission sources at the Facility that were submitted since the last AQAC meeting or that Intel reasonably anticipates will be submitted prior to the next AQAC meeting
- 8.3.4 update on the implementation of the measures identified on Attachment A and any measures raised in prior AQAC meetings that require further action or consideration.

9. Covenants.

- 9.1 In consideration of the above, and except as otherwise provided by this Agreement, the Parties hereby forever and fully release each other and their respective parents, affiliates, subsidiaries, divisions, insurers, successors, assigns, and current and former employees, attorneys, officers, directors, members, shareholders, and agents from any and all claims and demands of any kind, nature, or description whatsoever, known and unknown, and from any and all liabilities, damages, injuries, actions or causes of action, either at law or in equity, which it may presently have, or which may later accrue or be acquired by it, arising from the Notice Letter, including, without limitation, all claims for injunctive relief, damages, penalties, fines, sanctions, mitigation, fees (including fees of attorneys, experts, and others), costs, expenses or any other sum incurred or claimed or which could have been claimed in the Notice Letter, for the alleged failure of Intel to comply with the Clean Air Act (including the Oregon State Implementation Plan) at the Facility or any other act or omission related to emissions to the atmosphere from the Facility, up to and including the Termination Date of this Agreement as defined in paragraph 11.
- 9.2 The Parties may participate freely in the public process for issuance, renewal or modification of any permit issued to Intel with respect to any issues not addressed in this Agreement, provided that with respect to any issues addressed in this Agreement the Neighbor Groups may not propose or advocate that new or expanded requirements be imposed on Intel through the Permits or any renewal thereof.
- 9.3 During the term of this Agreement, the Neighbor Groups shall not apply to a court to enforce the Permits or the federal Clean Air Act or Oregon air quality laws with respect to the Facility if Oregon or the United States has commenced and is diligently prosecuting a civil or criminal action in a federal or state court, or has issued an administrative order requiring compliance with the Permits and assessing a monetary penalty with respect to the alleged violation.
- 9.4 The obligations of the Parties under this paragraph 9 include the obligation not to materially aid or assist others in the pursuit of any of the prohibited acts. As a critical part of the consideration Intel has received in support of this Agreement, the

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Neighbor Groups' respective legal counsel have represented to Intel that they have no present intent to represent any person other than the Neighbor Groups with respect to Intel air quality matters or to participate in the administrative process for issuing the Permits, to challenge the Permits, or to bring any form of legal action against Intel on behalf of any other client.

- 10. Dispute Resolution. Subject to this paragraph 10, any Party to this Agreement may apply to a court of competent jurisdiction for declaratory and injunctive relief necessary to construe or enforce this Agreement. The Parties will endeavor to resolve any dispute amicably pursuant to paragraphs 10.1 through 10.3.
- 10.1 Duty to meet and confer. At least 30 days prior to applying to a court for relief, the Parties agree to meet and confer to attempt to resolve any dispute through informal negotiations. With notice pursuant to paragraph 12.1, any Party can request to meet and confer (in person if requested) within five business days of receipt of the request. Representatives of each Party with appropriate authority will negotiate in good faith to resolve the dispute.
- 10.2 *Mediation.* If informal discussions pursuant to paragraph 10.1 do not resolve the dispute, either Party may require that the dispute be submitted to mediation before Resolutions Northwest or such other mediator as the City of Portland contracts to provide such mediation services to Portland residents. Following the meeting described in paragraph 10.1, either Party may commence the mediation process by providing notice to the other Party and following the procedures prescribed by the mediation service.
- 10.3 *Judicial enforcement.* If the mediation described in paragraph 10.2 does not resolve the dispute, any Party may seek to enforce this Agreement through a court of competent jurisdiction.

11. Term.

- 11.1 This Agreement shall commence on the Effective Date set forth above and shall remain in effect until the later of: (a) five years from the date of Execution of this Agreement, pursuant to paragraph 13, or (b) the renewal or re-issuance of a Facility Title V permit by DEQ (the **Termination Date**). The covenants in paragraph 9.1 survive expiration of this Agreement.
- 11.2 At least 18 months before the expiration of this Agreement, the Parties shall meet to explore renegotiation of this Agreement in anticipation of the next renewal of the Title V Permit.

12. General Terms.

12.1 *Notice*. All notices under this Agreement shall be in writing and personally delivered or sent by first-class mail, postage prepaid, or e-mail to the other Parties at the addresses set forth below. Notices shall be deemed given when received and shall be deemed received when personally delivered, 48 hours after they are postmarked, if

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sent by mail, or upon confirmation of receipt if delivered by e-mail. Notices shall be sent to the following addresses, which a Party may change by giving notice to the other Parties:

If to Intel:

Anne Marie McSwiggan Corporate Services Manager Intel Corporation 3100 NE Shute Road Hillsboro, OR 97124

Tel. (503) 333-3761

Email: anne.m.mcswiggan@intel.com

with copy to: If to NEDC:

Thomas R. Wood Stoel Rives LLP 900 SW Fifth Ave. Suite 2600 Portland OR 97204-1268 Tel. (503) 204-9396

Email: trwood@stoel.com

Mark Riskedahl NEDC 10015 SW Terwilliger Blvd. Portland, OR 97219

Mary Peveto

P.O. Box 10544

Portland, OR 97296

Neighbors for Clean Air

- 12.2 Binding Effect. This Agreement shall be binding upon the Parties and their respective successors and assignees. If in any judicial proceeding a court shall refuse to enforce all the provisions of this Agreement, the scope of any unenforceable provision shall be deemed modified and diminished to the extent necessary to render such provision valid and enforceable. In any event, the validity or enforceability of any such provision shall not affect any other provision of this Agreement, and this Agreement shall be construed and enforced as if such provision had not been included.
- 12.3 *Entire Agreement.* This Agreement and any referenced attachments, exhibits or schedules are the entire agreement between the Parties and supersede all previous agreements or understandings between them.
- 12.4 *Amendment.* This Agreement may not be amended, except in writing and signed by authorized representatives of both Parties.
- 12.5 *Understanding.* Each Party has carefully read this Agreement. Each Party acknowledges that it is familiar with the contents of this Agreement, and that they fully understand and voluntarily accept its terms and conditions.
- 12.6 *Trade Secrets.* Nothing in this Agreement shall be construed to require Intel to disclose its trade secrets or confidential business information and Intel may redact such trade secrets or confidential business information from documents provided

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under this Agreement. Neighbor Groups understand and agree that Neighbor Groups or members of the public may need to sign one or more confidentiality agreements to protect Intel's trade secrets and confidential business information potentially observed during site visits.

- 12.7 Waiver. Any Party may waive rights, powers or privileges under this Agreement, provided that any waiver must be in writing and further provided that no such waiver in one instance shall constitute a waiver of the same right, power or privilege in any other instance unless specifically stated in writing.
- 12.8 Force Majeure. If Intel is prevented from carrying out any of its obligations under this Agreement by circumstances beyond its reasonable control, including, without limitation, legislation or lawful regulations of any governmental body, acts of the public enemy, riots, strikes or labor disputes, labor or material shortages, fires, explosions, floods, severe weather conditions, embargoes, or other similar causes, then Intel shall be excused from performance hereunder during the period of such delay. Intel shall promptly notify the other Parties when it learns of the existence of a force majeure condition and shall indicate the nature and probable duration of such force majeure. Intel shall promptly notify the other Parties when the force majeure condition has terminated. Intel shall minimize the effect of such force majeure to the extent reasonably possible. Notwithstanding anything in this Agreement to the contrary, the term "force majeure" does not include, and Intel shall not be excused from performance under this Agreement for increased costs of fuel, labor, insurance, or other expenses of performing the obligations hereunder.
- 12.9 Severability. If for any reason a court of competent jurisdiction finds any provision of this Agreement to be unenforceable under existing law, or as a result of new statutes or regulations, that provision of the Agreement will be reformed consistent with such law and the intent of the parties, and the remainder of this Agreement will continue in full force and effect.
- **13.** Execution. The individuals executing this Agreement below represent that they are authorized to execute this Agreement on behalf of the respective Party. This Agreement may be executed simultaneously by all the parties or individually in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

[SIGNATURE PAGE TO FOLLOW]

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By:	
Name: Title:	
NEIGHBORS FOR CLEAN AIR	NORTHWEST ENVIRONMENTAL DEFENSE CENTER
By: Name: Title:	By: Wark Riskedahl Name: Mark Riskedahl Title: Executive Director
Approved as to Form: For Intel Corporation	
By: Name:Thomas R. Wood, Esq. Title:	
For Neighbors for Clean Air	For Northwest Environmental Defense Center
By:	By:

By: AWM SWIGGAN Name: ANNEM MISWIGGAN Title: CORPORATE SERVICES MY	twack
NEIGHBORS FOR CLEAN AIR	NORTHWEST ENVIRONMENTAL DEFENSE CENTER
By: Name: Title:	By: Name: Title:
Approved as to Form: For Intel Corporation	
By: Name:Thomas R. Wood, Esq. Title:	
For Neighbors for Clean Air	For Northwest Environmental Defense Center
By: Name:James Saul, Esq Title:	By: Name:Andrew Hawley, Esq Title:

By:	
Name:	
Title:	
NEIGHBORS FOR CLEAN AIR	NORTHWEST ENVIRONMENTAL DEFENSE CENTER
By:	
By:	By:
Name: Mary Peveto	Name:
Title: President	Title:
Approved as to Form:	
For Intel Corporation	
By: Name:Thomas R. Wood, Esq	
Name: Thomas R. Wood, Esq. Title:	
For Neighbors for Clean Air	For Northwest Environmental Defense Center
By: Jan M. W	By: Name:Andrew Hawley, Esq
Name James Saul, Esq.	
Title: Attorne	Title:

By: Name: Title:	
NEIGHBORS FOR CLEAN AIR	NORTHWEST ENVIRONMENTAL DEFENSE CENTER
By: Name: Title:	By: Name: Title:
Approved as to Form:	
For Intel Corporation	
By:	
For Neighbors for Clean Air	For Northwest Environmental Defense Center
By: Name:James Saul, Esq Title:	By: Name:Andrew Hawley, Esq Title:

ATTACHMENT A

Emission Reduction Project	Target Date	Method of Confirmation
Boiler replacement with ultra low-	3 rd quarter 2017	Report to AQAC at quarterly
NOx burner boilers at RA2 and RP1		meeting
Decommission four Fab 5 boilers	3 rd quarter 2016	Report to AQAC at quarterly
		meeting
Retrofit RCTOs to optimize natural	2 nd quarter 2017	Report to AQAC at quarterly
gas usage		meeting
Evaluate ways to reduce (if possible)	3 rd quarter 2016	Report to AQAC at quarterly
diesel particulate matter emissions		meeting
either with onsite or offsite projects		
Advocate to contractors working at the	2 nd quarter 2016	Report to AQAC at quarterly
Facility to use newer onroad and		meeting
nonroad diesel engines		
Assess feasibility of reducing waste	4 th quarter 2016	Report to AQAC at quarterly
tank emissions		meeting
Compare actual emissions inventory in	2 nd quarter 2021	Report to AQAC at quarterly
2020 to inventory used in HRA		meeting

ATTACHMENT B

Source	Frequency	Pollutants of Interest	Test Method	Minimum Test Duration
Rotary Concentrator Thermal Oxidizers (RCTO)*	Test representative oxidizer stacks one time, no later than December 31, 2018	Crystalline Silica	EPA Method 5 & NIOSH 7500 method (X-ray diffraction of filter)	3, 1 hr. test runs
	Test each oxidizer stack at least once every 5 years	VOC Destruction Efficiency	EPA Method 5	3, 1 hr. test runs
Acid Gas Scrubbers*	Test each acid gas scrubber stack at least	HF, HCl, NH3 Total	ASTM D6348-12 (FTIR) EPA Method 13B	1, 8 hr. test run 3 - 1 hour
	once every 5 years	Fluoride	EFA Mediod 13B	test runs

^{*}A control device that has been put into regular service for the first time since the Effective Date of the Agreement must be tested no later than the calendar year following the calendar year in which the control device became operational and not less than once every 5 years thereafter.

ATTACHMENT C

Source	Frequency	Parameter	Equipment
Rotary Concentrator Thermal Oxidizers (RCTO)	Continuous	Temperature	Thermocouple
Acid Gas Scrubbers	Continuous	Flow	Flow meter
		рН	pH probe
Emergency generators	When used	Hours of operation including time of engine start, time of engine stop and reason for operating	Non-settable hour meter Operating log