



“Confidential Disclosure”

RIN DEVELOPMENT AND MARKETING AGREEMENT

This Renewable Identification Number Development and Marketing Agreement (“RDMA”) is effective this 18th day of November, 2014 (the “Effective Date”), by and between Blue Source LLC, a Utah limited liability company (“Blue Source”) and the City of Grand Junction, CO, a Colorado municipal corporation (“City of Grand Junction” or “Producer”).

RECITALS

- A. Producer operates a waste water treatment plant and biogas capture operations located in Grand Junction, Colorado and may have opportunities to make operational changes or improvements which may result in production and consumption of bio-cng (biogas to compressed natural gas); and
- B. Producer desires, to the extent possible, to monetize or to otherwise realize benefits from its activities as a renewable fuel producer which may result in RIN (renewable identification number) generation; and
- C. Blue Source is in the business of identifying, creating, acquiring, aggregating and marketing RINs, credits, offsets, incentives, and other environmental benefits created by projects which generate RINs and aggregating such benefits into a portfolio in order to enhance the marketability and value of such benefits; and
- D. Producer wishes to sell to third parties, through Blue Source as its exclusive marketer, and Blue Source wishes to market the RINs generated by Producer through its Projects in accordance with the terms of this RDMA.

AGREEMENT

In consideration of the foregoing recitals, other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the Parties, and the mutual obligations and undertakings set forth herein, the Parties covenant and agree as follows:

1. DEFINITIONS

- a) “Blue Source’s RINs” shall have the meaning set forth in Section 14(a).
- b) “Blue Source’s Share” [REDACTED]

- c) "Document," "Documenting," and "Documentation" means, as appropriate in the context in which such terms are used, either (i) the preparation of all documents pertaining to generation, Verification and Registration of RINs associated with the Project with the RFS2 and marketing of the RINs, including those required to obtain EPA's approval of Registration and comply with reporting, and recordkeeping of such RINs or (ii) all documents prepared for such purposes.
- d) "Expenses" means all costs payable by Blue Source to any third party related to (1) Documenting, Verifying or Registering RINs (including any related engineering expenses).
- e) "Expiry Date" means the eighteen month anniversary following the end of the Term.
- f) "Net Proceeds" means the Proceeds less Expenses.
- g) "Parties" means Blue Source and Producer collectively and their respective successors and assigns, and "Party" means either of them and its successors and assigns.
- h) "Proceeds" shall be the total amount received by Blue Source from a third party as payment for Blue Source's sale of Renewable Identification Number(s) arising from the Project pursuant to this RDMA.
- i) "Project" or "Projects" means Producer's operation of the landfill gas to bio-cng activities located at Persigo Waste Water Treatment Plant in Grand Junction, Colorado.
- j) "Registration," "Register," or "Registering" means the obtaining of any and all necessary recognition, registration, credit, and/or approval for the Project in order to be issued RINs under RFS2, and includes any required payment of fees for the listing or registration, delisting, retirement, or transfer of such RINs.
- k) "RFP" means renewable fuel producer as that term is defined within the RFS2.
- l) "RFS2" means the Renewable Fuel Standard 2 program being implemented by United States Environmental Protection Agency ("EPA") in accordance with and set forth in 40 CFR 80-Subpart M and all related guidance.
- m) "Renewable Identification Numbers, "RIN" or "RINs" mean renewable fuel trading credits used to demonstrate compliance with the RFS2 requirements. RINs include but are not limited to D-Codes 3, 4, 5, 6 and 7; Cellulosic, Biomass-Based Diesel, Advanced, Renewable Biofuel and Cellulosic Diesel, respectively, any RIN generated by biogas, including landfill gas, gas from waste digesters and gas from waste treatment plants used to produce renewable electricity or conditioning and injection into the natural gas grid for use as CNG/LNG.
- n) "Producer's Share" [REDACTED]
- o) "Term" shall be from the Effective Date through December 31st of the sixth year from the date that the first RIN is generated. The Parties may mutually agree in writing to

extend the Term for two additional years. Producer reserves the right to non-renewal on an annual basis; notwithstanding the foregoing, if Producer approves a forward sale of the RINs in accordance with Section 3(d), the Term shall automatically renew and extend to the latest date Blue Source is required to deliver RINs from the Project under any executed sale agreement ("Sale Date") and Producer shall not have the right of non-renewal through such Sale Date. Producer's right to non-renewal on an annual basis shall apply to any years remaining in the Term, if any, beyond such Sale Date.

p) "Verification," "Verify," or "Verifying" means the engineering review conducted in accordance with Section 80.1450 of the RFS RIN.

q) "Verifier" means a third party engineer that meets the prescribed requirements under the RFS2 to review the Project as part of the Registration process.

2. PURPOSE OF AGREEMENT. The Parties anticipate that Producer has and will engage in a Project providing the basis for RIN generation. Through the Expiry Date, Producer agrees to sell, transfer, and otherwise convey to Blue Source all such RINs arising from the Project during the Term, whether such RINs are Registered after the end of the Term, pursuant to the terms of this RDMA. Blue Source shall be the sole and exclusive marketer of such RINs through the Expiry Date.

3. SERVICES PROVIDED BY BLUE SOURCE. Throughout the Term, Blue Source will conduct the following activities:

a) Registration. Blue Source will submit all documents required to Register the Project with the RFS2 which may include Documentation and Verification of the Project, provided that Producer has implemented the Project and has complied with Section 4 of this RDMA.

b) Recordkeeping and Reporting:

i. Blue Source shall prepare, submit and maintain all reports and records required as a transferor under the RFS2.

ii. Blue Source shall identify for Producer the records and reports Producer is required to keep as an RFP under the RFS2.

iii. Provided that Blue Source has been provided with or has access to all necessary data, information and Documents, Producer is in compliance with Section 4 of this RDMA and any and all data provided to Blue Source is accurate and complete, Blue Source shall prepare draft records and reports for Producer that are required for Producer's recordkeeping and reporting compliance with the RFS RIN Program as an RFP and submit such draft records or reports to Producer in a timely manner for Producer's submission to EPA as required by the RFS2.

c) Monitoring. Blue Source shall not be responsible for monitoring the Project or the Project equipment. Provided that Blue Source has reasonable access to the necessary data, information and Documents and all such data, information and Documents are complete and accurate, Blue Source shall draft a quality assurance/quality control plan

for process measuring equipment for the Project to be maintained by Producer in order to prevent inadvertent administrative errors.

- d) Marketing and Monetization. Blue Source will make commercially reasonable efforts to market and monetize Renewable Identification Numbers arising out of the Project. With respect to the sale of RINs arising from the Project in any vintage year beyond the current calendar year in which the execution of a sale agreement is occurring, Blue Source shall notify the Producer in writing of the commercial terms of such sale and Producer shall approve or reject such sale in writing within 10 days of receipt of the notice of the sale. Producer's failure to respond within these 10 days shall be deemed an approval by Producer of the sale.

Notwithstanding any of the foregoing, each Party is responsible for its own compliance with the requirements of the RFS2.

4. PRODUCER'S RESPONSIBILITIES AND OBLIGATIONS: Throughout the Term, Producer will conduct the following activities:
- a) Recordkeeping and Reporting: Producer shall provide Blue Source with any and all information, data and Documents Blue Source reasonably requests that Blue Source deems necessary to provide its Services listed in Section 3 of this RDMA. Producer shall maintain all required records as an RFP for at least five (5) years after the date of transfer of the RINs from Producer to Blue Source or such other period as may be required by the RFS2, whichever is longer RFS2. Producer shall submit any records or reports or other Documents required as an RFP RFS2 in compliance with the requirements of the RFS2.
- b) Compliance: Producer shall comply with the RFS2 requirements for an RFP.
- c) Maintenance and Monitoring: Producer shall install and maintain all process measuring equipment for the Project in good condition. Producer shall implement and maintain the quality assurance/quality control plan provided by Blue Source that is designed to ensure that process measuring equipment for the Project is properly maintained by Producer and to prevent inadvertent administrative errors.
5. TITLE AND EXCLUSIVE RIGHT TO MARKET. Through the Expiry Date, Producer hereby grants, conveys, and transfers to Blue Source title to and the exclusive right to market all RINs created from the Project in 2014 through the end of the Term, including but not limited to RINs issued during or after the Term as a result of actions taken prior to or during the Term.
- a) Blue Source shall have discretion to determine which Renewable Identification Numbers, if any, will produce Renewable Identification Numbers of sufficient magnitude and quality to be pursued for batch generation and verification and transfer in accordance with the terms of this RDMA.
- b) Blue Source may aggregate and market Producer's RINs with RINs created by other suppliers of either similar or unrelated credits, as Blue Source deems appropriate as a function of Blue Source's portfolio management.

6. PRICE AND PAYMENT TERMS. Blue Source shall:

- a) [REDACTED]
- b) [REDACTED]

7. PRODUCER'S REPRESENTATIONS, WARRANTIES AND COVENANTS. Producer represents, warrants and covenants as of the Effective Date of this RDMA and through the Expiry Date that:

- a) It is a municipality duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, with full corporate power and authority to make, execute, deliver and perform this RDMA and the transactions contemplated hereby.
- b) The execution, delivery and performance of this RDMA have been duly authorized by all necessary actions on the part of Producer, and this RDMA constitutes a valid obligation of Producer enforceable against it in accordance with its terms.
- c) It has good and marketable title to all Renewable Identification Numbers arising out of the Projects that are made available to Blue Source for resale and that such Renewable Identification Numbers shall be free and clear of all encumbrances of any kind.
- d) Producer shall take any commercially reasonable actions necessary to transfer title of the RINs subject to this RDMA to Blue Source.
- e) It shall comply in all material respects with the RFS2 requirements for an RFP.
- f) It shall maintain all process measuring equipment for the Project and comply with and maintain the quality assurance/quality control plan provided by Blue Source for such equipment at all times.
- g) All Renewable Identification Numbers transferred to Blue Source shall be based on wastewater treatment gas (an EPA listed biogas source) that is conditioned, compressed and consumed as transportation fuel.
- h) The Project is in material compliance with all applicable laws, regulations and permits.
- i) Data and information provided to Blue Source or its authorized representatives in accordance with this RDMA is and shall be accurate and complete.
- j) During the Term, Renewable Identification Numbers sold or available for sale to Blue Source pursuant to this RDMA shall not be sold, transferred or otherwise conveyed or made available for use by Producer to any other person or entity for any other purpose.

Producer will not claim any of the RINs delivered or sold to Blue Source under this RDMA as part of its own compliance with any applicable laws, regulations or other voluntary programs.

- k) If Producer transfers ownership of the Project during the Term, Producer shall ensure that in conjunction with any such transfer: (i) Producer's transferee shall assume all of Producer's obligations toward Blue Source or otherwise, which are created pursuant to this RDMA; and (ii) Blue Source shall retain all rights afforded to Blue Source pursuant to this RDMA including, but not limited to, all rights to collect and market all RINs generated by the Project throughout the Term through the Expiry Date.
 - l) During the Term, Producer will provide in a timely manner all available and relevant information within Producer's control necessary to allow Blue Source to Document, Register, evaluate, develop and market RINs and for Blue Source to provide its Services set forth in Section 3.
8. BLUE SOURCE's WARRANTIES. Blue Source represents and warrants as of the Effective Date of this RDMA and through the Expiry Date that:
- a) It is a limited liability company duly organized, validly existing and in good standing under the laws of the state of Utah, with full power and authority to make, execute, deliver and perform this RDMA and the transactions contemplated hereby.
 - b) The execution, delivery and performance of this RDMA have been duly authorized by all necessary actions on the part of Blue Source and this RDMA constitutes a valid obligation of Blue Source enforceable against it in accordance with its terms.
 - c) It shall comply in all material respects with the RFS2 requirements for agents.
 - d) Blue Source shall use commercially reasonable efforts to Register and Verify the Project and to market the RINs, provided that Seller is in compliance with all of its obligations under this Agreement.
9. FURTHER ASSURANCES. Upon Blue Source's reasonable request, Producer shall execute such documents and take such further actions from time to time as may be necessary to Register or Verify the Project to create RINs or transfer Renewable Identification Numbers to Blue Source or sale to a third party. Producer shall also provide such assurances in connection with related Renewable Identification Numbers that may be created by governmental action during the Term of this RDMA.
10. ACCESS TO INFORMATION; MAINTENANCE OF RECORDS
- a) Due Diligence. Each Party shall provide the other Party and its representatives with access to the Project and to all Renewable Identification Number-related documents, records, reports, and data reasonably necessary to Document, Register and Verify the quantity, quality, validity, or acceptability of the Renewable Identification Number or the Project with EPA's RFS2 and comply with the requirements of the RFS2. Verifiers as well as prospective final buyers of Renewable Identification Numbers created pursuant to this RDMA shall have the right to visit Producer's facilities for purposes of conducting

such Verification upon commercially reasonable notice to Producer, subject to Producer's right to protect confidential, proprietary, and competition sensitive information and processes. Such due diligence may be undertaken at any time during the term of this RDMA during regular business hours upon reasonable advance notice.

- b) Producer's Records Regarding Project Performance. Producer shall maintain records reasonably necessary to establish the validity of the Renewable Identification Numbers sold pursuant to this RDMA and as required by the RFS2. Producer shall make such records available for inspection upon reasonable advance notice from Blue Source and Blue Source's transferees at reasonable times and places. Producer shall also make such records available to EPA if requested. Such records shall be maintained for at least five (5) years after the date of transfer of the RINs from Producer to Blue Source or such other period as may be required by the RFS2, whichever is longer.
- c) Blue Source's Records Regarding Transactions. Blue Source shall keep and maintain records of all sales terms, deal valuations, and documentation necessary for Blue Source to complete the sale and transfer of RINs transferred to Blue Source by Producer and by Blue Source to any third party. These records shall be kept for a period of at least five years from the date they were created and shall be made available to Producer for inspection during regular business hours upon reasonable advance notice.
- d) Blue Source shall attain an accurate and complete accounting of all proceeds and expenses, and shall keep such records for a period of at least seven (7) years from the date they were created, and, upon reasonable request, make them available to Producer for inspection and audit.

11. LIMITATION OF LIABILITY.

- a) Both Parties shall only be liable for actual damages and neither Party shall be liable to the other for any special, indirect or consequential damages. The limitation of liability in this Section 10 shall survive cancellation, termination, or expiration of this RDMA.
- b) [REDACTED]
- c) [REDACTED]

12. INDEMNITY.

- a) By Producer. Subject to Sections 11 and 14 Producer shall indemnify and hold harmless Blue Source from any claims or demands and any actions, suits, orders, or any other form of legal proceeding brought by a third party, including any government authority

or regulator, relating to: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

- b) By Blue Source. Subject to Sections 11 and 14, Blue Source shall indemnify and hold Producer harmless from any claims or demands and any actions, suits, orders, or any other form of legal proceeding brought by a third party, including any government authority or regulator, relating to: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

13. RESERVATIONS REGARDING PROJECT DEVELOPMENT. The Parties mutually acknowledge that:

- a) PRODUCER MAKES NO REPRESENTATION OR WARRANTY AS TO THE NUMBER OF RENEWABLE IDENTIFICATION NUMBERS WHICH MAY BE GENERATED AS A RESULT OF ANY PROJECT; AND
- b) BLUE SOURCE MAKES NO REPRESENTATION OR WARRANTY AS TO THE CREATION OF RENEWABLE IDENTIFICATION NUMBERS AT THE PROJECT OR THE MARKETABILITY OR VALUE TO BE REALIZED AS A RESULT OF BLUE SOURCE'S EFFORTS TO SELL SUCH RINS.

14. TERM AND TERMINATION. Unless otherwise set forth in this Agreement, this RDMA shall remain effective and in force from the Effective Date through the Expiry Date, subject to earlier termination pursuant to this Section.

- a) Termination of Operations. Blue Source acknowledges that Producer has no obligation to Blue Source to continue the operation of any facility solely in order to produce Renewable Identification Numbers. In the event Producer elects to cease operations at the Project, Producer may terminate this RDMA upon at least thirty (30) days advance written notice. In the event of such termination, Producer shall, within ten days of Blue Source's request:

- i) [REDACTED]
 - [REDACTED]
[REDACTED]
[REDACTED]
 - [REDACTED]
[REDACTED]
 - [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

b) Termination for Producer's Breach. In the event the Producer fails to perform any material obligation in this RDMA or breaches any material representation or warranty during the term of this RDMA, Blue Source shall notify Producer in writing of the failure of such breach or the conditions of the breach and provide the Producer with a 30 day period to correct any such breach. Blue Source shall have the right to terminate this RDMA after the 30-day period if the breach has not been corrected during the 30-day period. If Blue Source terminates this RDMA pursuant to this Section 14(b):

i) [REDACTED]

[REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

c) Termination for Blue Source's Breach. In the event Blue Source fails to perform any material obligation in this RDMA or breaches any material representation or warranty during the term of this RDMA, Producer shall notify Blue Source in writing of the failure of such covenant or the conditions of the breach and provide Blue Source with a 30 day period to correct any such breach or perform such covenant. The Producer shall have the right to terminate this RDMA after the 30-day period if the breach has not been corrected or the covenant not performed during the 30-day period. If Producer terminates this RDMA pursuant to this Section 14(c):

■ [REDACTED]

■ [REDACTED]

d) Termination for Failure of Producer to Complete the Project. If on or before August 1, 2015, Producer fails to complete construction of the Project and utilization of the WWTP gas, Blue Source, in its sole discretion, may terminate this RDMA, upon thirty days written notice. Within sixty days of receipt of an invoice from Blue Source, Producer shall reimburse Blue Source for any Expenses incurred prior to the date of Blue Source's notice of termination.

- e) Termination Due to Economic Unfeasibility. Blue Source may terminate this RDMA prior to the end of the Term, upon ninety days written notice, if Blue Source, in its sole discretion, determines the Project or any part of the Project is economically unfeasible.

[REDACTED]

- f) Termination Due to Insolvency. This RDMA may be terminated immediately upon notice by one Party to the other Party if:

- i) a receiver or trustee in bankruptcy has been appointed to take charge of all or any substantial part of a Party's business or property, unless the receivership order or the appointment of the trustee in bankruptcy is vacated within thirty (30) days;
- ii) a Party has become an insolvent person or committed an act of bankruptcy as defined under the bankruptcy laws of the United States;
- iii) a petition has been filed or any other action has been taken with respect to a Party under any provision of the bankruptcy laws of the United States; or
- iv) any application or petition or certificate or order has been made or granted for the winding up or dissolution of a Party, voluntarily or otherwise.

15. ADDITIONAL TERMS AND CONDITIONS.

- a) In the event either Party is prevented from performing or is unable to perform any of its obligations under this RDMA (other than a payment obligation) due to any Act of God, fire, casualty, flood, earthquake, war, strike, lockout, epidemic, riot, insurrection, or any other cause beyond the reasonable control of the Party ("Force Majeure") invoking this section and if such Party shall have used its commercially reasonable efforts to mitigate its effects, such Party shall give prompt written notice to the other Party, its performance shall be excused, and the time for the performance shall be extended for the period of delay or inability to perform due to such occurrences. Regardless of the excuse of Force Majeure, if such Party is not able to perform within one hundred eighty (180) days after such event, the other Party may terminate the RDMA. Termination of this RDMA shall not affect the obligations of either Party that exist as of the date of termination. Neither Party shall be required to settle a labor dispute, strike or lockout in order to mitigate or remedy a condition of Force Majeure.
- b) This RDMA shall be binding upon and inure to the benefit of the Producer and Blue Source and their respective successors and permitted assigns.
- c) Any notice or other communication which any Party is required or wishes to make to any other Party pursuant to this RDMA will be effective and valid only if in writing and delivered

personally, by facsimile transmission or by email to the other Party at the address, fax number or email address set out below or at such other address, fax number or email address as such Party may from time to time designate by notice delivered in accordance with this Section 15.f.

City of Grand Junction. "Producer", Attn: Jay Valentine ; Address, Phone, Fax, Email jayva@gjcity.org .

Blue Source, LLC, "Blue Source", Attn: Contract Administrator, 1935 East Vine St, Suite 300, Murray, UT, USA. Phone (801) 322-4750. Fax (801) 363-3248. E-mail info@ghgworks.com.

Any notice delivered in accordance with the foregoing will be deemed to have been received by the addressee on the date it is sent if delivered personally, by facsimile transmission or by email within normal business hours in Salt Lake City, Utah, or at the beginning of the next business day in Salt Lake City, Utah if it is sent outside normal business hours (and provided that in the case of a notice sent by facsimile transmission the Party sending the notice has received a confirmation of transmission indicating that the entire facsimile transmission has been sent).

- d) The headings set forth in this RDMA are for reference purposes only and will not be considered in the interpretation or enforcement of the provisions of this RDMA.
16. PROVISIONS SURVIVING EXPIRATION AND TERMINATION. Notwithstanding the termination or expiration of this RDMA, the provisions of Sections 7, 8, 9, 10, 11, 12, 13, 14, and 15 shall survive the expiration or termination of this RDMA for [REDACTED] years.
17. Each Party shall be responsible for and pay its own legal and other costs associated with the negotiation and execution of this RDMA.

In the event either Party brings an action against the other to enforce any term of this RDMA, the prevailing Party in such action shall be entitled to recover all of its reasonable expenses incurred in connection therewith, including but not limited to reasonable attorney's fees in the judgment rendered in such action.

BLUE SOURCE, LLC



By: Kevin Townsend *MM WTD*

Its: Chief Commercial Officer

CITY OF GRAND JUNCTION

Scott
Hockins

Digitally signed by Scott Hockins
DN: cn=Scott Hockins, o=City of Grand
Junction, ou=Purchasing Division,
email=sscott@gjcity.org, c=US
Date: 2014.11.18 09:47:19 -0700

By: Scott Hockins

Its: Purchasing Supervisor