

## AMENDED AND RESTATED LEASE AND ENERGY SERVICES AGREEMENT

THIS AMENDED AND RESTATED LEASE AND ENERGY SERVICES AGREEMENT (“*Lease*”), dated as of \_\_\_\_\_, 20\_\_ (“*Effective Date*”), is entered between THE CITY OF RIVERSIDE, a California charter city and municipal corporation, hereinafter referred to as “*Landlord*,” and RIVERSIDE BIOENERGY FACILITY, LLC, a Delaware limited liability company, hereinafter referred to as “*Tenant*”. Landlord and Tenant are hereinafter sometimes referred to individually as a “*Party*” and together as “*Parties*”.

### RECITALS

A. Landlord owns and operates a regional wastewater treatment plant (“*WWTP*”) in the City of Riverside, County of Riverside, State of California.

B. There are currently five anaerobic digesters located at the WWTP: four digesters that are currently in active use and one digester that is currently retired but intended to be returned to active use. The legacy digester is known as Digester No. 5 and the active digesters are known as Digesters No. 1-4. For the purposes of this Lease, the legacy digesters and the active digesters are referred to collectively as the “*Digesters*.” The Digesters are located within that portion of the WWTP which is shown on the map attached hereto as *Exhibit “A”* (“*Site*”).

C. Tenant desires to install, own and operate a gas conditioning facility at the Site (“*Biogas Upgrading Facility*”). The facility will be used to (i) enhance biogas production in the Digesters and (ii) subsequently upgrade the biogas produced in the Digesters into biomethane. Biomethane can be sold as renewable natural gas, using a natural gas pipeline owned by SoCalGas, the local natural gas utility (“*SoCal*”). The Biogas Upgrading Facility is intended to receive the biogas produced in the Digesters, less that which is obligated under the City’s existing, separate power purchase agreement. Tenant and Landlord will share benefits arising from the Biogas Upgrading Facility.

D. The Biogas Upgrading Facility and related infrastructure necessary for the production and collection of biogas from the Digesters, and injection of biomethane at the interconnection with SoCal are projects included in and referred to herein as the “*Riverside Bioenergy Facility*” or the “*Project*”.

E. Landlord and Tenant desire to document the terms and conditions upon which Tenant will: lease or have easements on a portion of the WWTP for the Riverside Bioenergy Facility; collect and sell biogas produced in the Digesters; and receive and manage ADM for processing in the Digesters.

F. On January 5, 2024, the Parties entered into a Lease and Energy Services Agreement (the “*Original Agreement*”), which this Lease amends and restates in its entirety on the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Parties agree that the Original Agreement shall be amended and restated in its entirety as follows:

1. General. This Lease amends, restates and supersedes in its entirety the Original Agreement.

(a) Site Plan. Tenant will work with Landlord to identify the proposed areas in or around the Site where it will require access for the siting, construction and operation of the Riverside Bioenergy Facility. The two primary factors in making the determination will be efficiency and avoidance of interference with Landlord operations. The area that will be used by Tenant on an ongoing basis for

operation and maintenance of the Riverside Bioenergy Facility will be deemed the Premises and a map and legal description of the Premises will be attached hereto as ***Exhibit “B” (“Premises”)***.

(b) Feasibility Studies. For a period following the execution of the Original Agreement (***“Feasibility Period”***), Tenant shall be entitled to make such investigations, examinations and studies of the Digesters and the applicable areas of the WWTP as it deems necessary or desirable (collectively, the ***“Feasibility Studies”***), including without limitation, the right to: (i) review and approval of the condition of title, tax and appraisal issues, preliminary construction issues, and land use and regulatory issues; (ii) conduct soils tests and studies, environmental site assessments, and surveys, provided that no destructive or invasive testing will be done without the prior consent of the Landlord; and (iii) evaluate the power infrastructure and suitability for interconnection to SoCal for the delivery of biomethane. Landlord will cooperate with Tenant to provide requested information on the existing infrastructure of the WWTP. The Feasibility Period commenced on January 5, 2024 and runs until January 5, 2026; provided that Landlord may approve the extension of the Feasibility Period for up to one additional period not to exceed six (6) months. No later than the end of the Feasibility Period Tenant will make a final decision to proceed with construction of the Project by providing a written notice to proceed with the financing and construction of the Riverside Bioenergy Facility (***“Notice to Proceed”***). If Tenant, in its sole discretion at any time during the Feasibility Period, does not approve of any or all of the results of the Feasibility Studies or determines that it is no longer interested in moving forward with the Riverside Bioenergy Facility, then Tenant may, but shall not be obligated to, elect to terminate this Lease, and, in such event, Tenant and Landlord shall have no further duties, liabilities or obligations to each other under this Lease.

The parties will work together in good faith during the Feasibility Period to complete the Feasibility Studies. Landlord and Tenant agree that the timeframe provided is intended to keep the Project on track for a final decision on Notice to Proceed.

(c) Technical Memorandum Cost Based ADM Tipping Fee. Landlord completed an evaluation quantifying the cost to the City of ADM processing at the WWTP (***“Tech Memo”***) attached hereto as Exhibit “F” and incorporated herein by this reference. Landlord provided Tenant the opportunity to participate in Tech Memo preparation and review. Landlord and Tenant will cooperate in good faith to continue to evaluate the findings of the Tech Memo against the findings of the Feasibility Studies. Landlord costs associated with ADM processing as determined through the Tech Memo will be recovered via Host Fees pursuant to Section 4(b)(i). Periodic review and revision of the Tech Memo may be made to reflect changes of the findings that may materially affect the calculations and conclusions of the Tech Memo. Any such revised Tech Memo shall be incorporated into this Lease only by amendment as set forth in Section 35 of this Lease. Neither Party shall unreasonably withhold its consent to such amendment.

(d) Restoration. Following the completion of any physically intrusive investigation, Tenant covenants and agrees to restore the Digesters and any other property to the same condition as existed prior to the testing, to the extent feasible. Prior to any entry upon the WWTP by Tenant or its agents, employees and contractors, Tenant shall provide Landlord with written seventy-two (72) hours’ notice of such entry.

(e) Access. During the Feasibility Period, Landlord shall provide Tenant and its employees, agents, consultants and contractors with access to those areas of the WWTP in or adjacent to the Digesters or the Premises for the purpose of undertaking and completing the Feasibility Studies and subsequent due diligence review. Prior to any entry upon the WWTP by Tenant or its agents, employees and contractors, Tenant shall provide Landlord with written seventy-two (72) hours’ notice of such entry. Except that access, other than for visual observations, to that certain portion in or adjacent to the proposed locations of any Riverside Bioenergy Facility along Acorn Street shall require thirty-day written notice to the Landlord prior to entry.

(f) Permits and Approvals. Tenant will have the right to contact relevant governmental and regulatory authorities regarding the feasibility and requirements for all permits and approvals that will be necessary for the Riverside Bioenergy Facility. Landlord shall reasonably cooperate with Tenant to contact regulatory agencies and obtain information that Tenant deems necessary or advisable for development of the Riverside Bioenergy Facility. Landlord understands and agrees that its cooperation in this regard is essential to successful development of the Riverside Bioenergy Facility and Landlord shall reasonably cooperate with Tenant to facilitate Tenant's Feasibility Studies and ongoing due diligence.

(g) CEQA. Landlord will be the lead agency for evaluating the environmental impact of the Riverside Bioenergy Facility under the California Environmental Quality Act ("**CEQA**"). Tenant will be responsible for the preparation of all reports and other documentation necessary for CEQA compliance and the submission of those proposed documents to the Landlord for its independent review, as well as complying with any mitigation measures that may be required in connection with the Riverside Bioenergy Facility.

2. Leased Premises.

(a) Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises as described in ***Exhibit "B"***, conditioned upon the terms of this Lease.

(b) Gas Pipeline Easement. Landlord will grant an easement for the pipeline between the Premises and the interconnection point with SoCal in a form that is reasonably acceptable to Landlord ("***Pipeline Easement***").

(c) Access Easement. Landlord grants to Tenant for the benefit of Tenant and its agents, contractors and assignees, at no additional cost or expense to Tenant, a non-exclusive easement, for ingress and egress along Acorn Road to and from the Premises, subject to any reasonable security measures that Landlord may put in place along the perimeter of the WWTP and specifically including any security gate that may be installed to regulate access to the WWTP along Acorn Road. Landlord will cooperate with Tenant to ensure that such security measures do not materially interfere with Tenant's ingress and egress along Acorn Road to access the Premises.

(d) Retained Rights. Landlord will continue to have the right to operate the Digesters and operate, repair and replace all existing infrastructure including which is located on or below the Premises and further retains the right to locate infrastructure, pipelines or other utility installation across or under the Premises in the future, provided, however, that such infrastructure will be situated so as to cause minimal disruption and interference to Tenant's use of the Premises as defined in Section 5(g). Landlord will notify Tenant of any such intended use and provide plans and drawings for the same for Tenant's review and comment at least sixty (60) days prior to the commencement of any construction or other installation. The area utilized by Landlord will not include any areas of the Premises upon which Tenant has erected any permanent structures or improvements.

3. Term. The "***Term***" of this Lease will be that period of time commencing upon the Effective Date of this Lease and continuing until the twentieth anniversary of the date on which delivery of biomethane in the SoCal pipeline starts ("***Commercial Operation Date***"). The date of the Notice to Proceed to construction is referred to herein as the "***Commencement Date***". The last day of the Term is referred to herein as the "***Expiration Date***". Tenant will have the option, in its sole discretion, to extend the Term for two additional five (5) year periods provided that there is no default in its obligations under this Lease (beyond all applicable notice and cure periods). Tenant will give written notice of its intent to exercise such options no less than ninety (90) days prior to the expiration of the then current Term. The Commencement

Date and Expiration Date shall be stated in the Acceptance Memorandum attached hereto as Exhibit "D" (the "Acceptance Memorandum") and, when signed by the parties, the Acceptance Memorandum shall be attached to and incorporated in this Lease. The Commercial Operation Date shall occur within two (2) years of the Commencement Date, subject to delays which are beyond the reasonable control of Tenant. Tenant shall promptly notify Landlord of the cause of any such delays and the Commercial Operations Date will be extended.

4. Rent.

(a) Base Monthly Rent. During the period from the Commencement Date to the Commercial Operation Date, Tenant will pay to Landlord as basic monthly rent for the Premises the sum of One Thousand Dollars (\$1,000.00) per month ("**Basic Rent**"). Commencing on the Commercial Operation Date, the Basic Rent will increase to the sum of Ten Thousand Dollars (\$10,000.00) per month.

(b) Additional Rent. As additional rent for the use of the Premises, Tenant will further pay to Landlord, during the portion of the Term commencing on the Commercial Operations Date, an amount equal to the sum of:

- (i) Host Fee. For inbound ADM received by Tenant from third parties for processing at the Facility. Cost to process the ADM will be determined using the methodology presented in the Tech Memo Exhibit F. The Host Fee shall be adjusted annually beginning on the first anniversary of the Effective Date based on the Consumer Price Index ("**CPI**") for All Consumers: Selected Local Areas (Los Angeles-Riverside-Orange County, CA), as published by the United States Department of Labor, Bureau of Statistics, with the base index measured from the Effective Date.
- (ii) Royalty. For biogas supplied to the Biogas Upgrading Facility, fifteen percent (15%) of the Net Revenue generated by Tenant from the operation of the Biogas Upgrading Facility. For the purposes of this Section 4(b)(ii), "Net Revenue," "Operating Charge," and "Capital Charge" shall be defined during the Feasibility Period as provided in Exhibit G. The Operating Charge and Capital Charge shall be subject to annual escalation at a rate to be defined during the Feasibility Period as provided in Exhibit G.
- (iii) Biochar Component. 5% of the net proceeds received by Tenant from the sale of biochar generated at the Biosolids Management Facility. Net proceeds from the biochar will be calculated by taking the actual gross receipts (excluding shipping costs and sales taxes) received by Tenant from sales of biochar and deducting therefrom the costs for production of biochar, as calculated on a cost per ton basis. Tenant will provide to Landlord, on an annual basis, a calculation in reasonable detail of the cost per ton for the production of biochar.

Tenant makes no assurances regarding the aggregate Additional Rent payable to Landlord that will be generated pursuant to this Section 4. If, during the term, changes in conditions affecting components of the Tech Memo or Additional Rent change to a material extent, the Parties may discuss changes to the amount or manner of determination of the Additional Rent, and, if mutual agreement is reached, the incorporation of such changes into this Lease by amendment.

(c) Payment to Landlord. All Basic Rent due under this Lease shall be payable on the first day of each month. In the event the Term of this Lease commences on a day other than the first day of the month, then the Basic Rent for the first month will be prorated based upon the number of days in such month. If the term of this Lease expires on a day other than the end of a month, the payment of Basic Rent

for the last partial month of the Term hereof will be prorated on such basis. All Additional Rent will be payable within thirty (30) days of the end of each calendar quarter during the Term and will be accompanied by a written statement showing the source and calculation of the Additional Rent for such quarter. Landlord will have the right to audit the amount of the Additional Rent once during each calendar year by giving written notice to Tenant and Tenant will make its applicable books and records available to Landlord and its agents during normal business hours, at Landlord's cost, and in compliance with California Government Code section 8546 *et seq.*

5. Operation of Facilities on Premises.

(a) Right to Biogas. Landlord is currently obligated to send up to 162,936,000 cubic feet per year (310 cfm) of 60% methane biogas produced from wastewater biosolids from the Digesters to the Fuel Cell Energy facility located at the WWTP, which creates electricity for Landlord's operations ("**Fuel Cell**"). As the Project will increase biogas production for sale as renewable natural gas, Tenant will have the right to take all biogas collected from the Digesters, in excess of the average biogas production by the Digesters in the twenty-four (24) months immediately preceding Commercial Operations Date ("**Baseline Biogas Production**"). Ownership of the biogas will transfer from the Landlord to the Tenant at a demarcation point to be defined during the Feasibility Studies. Baseline Biogas Production shall continue to be supplied to Fuel Cell until such obligation is extinguished. It is the Landlord's desire and intent to transfer ownership of Baseline Biogas Production currently obligated to Riverside Fuel Cell, LLC to Tenant. Commencing upon extinguishment of the current obligation for Baseline Biogas Production, Landlord shall transfer ownership of such Baseline Biogas Production to Tenant without amendment to this Lease.

(b) Utilities. At the request of Tenant, Landlord will supply water and electricity through its facilities at the WWTP for the Riverside Bioenergy Facility. Tenant will install, at Tenant's cost, a utility grade meter at the delivery point of such water and electricity and any other required improvements and will pay the actual cost to Landlord of its proportional share of such utilities all in accord with Riverside Public Utilities Electric Rule 12, "Electric Supply through Master Metering and Resale of Electricity" and Water Rule 12, "Water Supply through Master Metering and Resale of Water" including compliance with the Master.

(c) Cooperation. Landlord and Tenant will cooperate in good faith to manage the mix of waste in the Digesters to (i) maximize the production of biogas; (ii) produce biogas that is capable of being certified as compliant with renewable attributes; and (iii) maximize the quality of biogas that is produced for efficient conditioning to biomethane. Tenant acknowledges and agrees that, except for the express representations set forth in this Lease, Landlord, including its authorized agents, representatives and employees, has not made any representations, guarantees or warranties regarding the mix of waste in the Digesters or the biogas. If the parties are unable to cooperatively manage the mix of waste in the Digesters, the parties agree to meet and confer to determine if a mutual agreement can be achieved to address any issue.

(d) Gas Monitoring and Management. Tenant will be responsible for monitoring and managing the flow of gas within the gas collection system at the Site. If Tenant determines that storage facilities for the biogas are necessary to optimize production or operation, then Tenant may submit a plan to Landlord to build such storage on or around the Premises. The storage plan will be subject to review and approval by Landlord, which approval will not be unreasonably withheld provided that space for storage is reasonably available without disrupting Landlord operations.

(e) ADM Processing. It is the intent of Landlord to supplement wastewater treatment in the Digesters with the processing of ADM provided by third parties to maximize the volume of biogas

production, subject to all of the federal, state and local permitting and other legal requirements applicable to the operation of the Digesters by Landlord. Tenant will procure and manage the delivery of ADM for processing in the Digesters, including the scheduling, storage, processing, and additional rent payments with respect to ADM. ADM or food waste generated within the City will be subject to the most favorable rate provided by Tenant. For the avoidance of doubt, Tenant shall be entitled to retain all tipping fees in consideration of such procurement and management services less payment of the Host Fee Additional Rent as identified in Section 4(b)(i) of this Lease. For the avoidance of doubt, Tenant shall be entitled to retain all tipping fees in consideration of such procurement and management services.

(f) Permitted Use. Tenant is authorized to use the Premises to install, own, operate, maintain, and repair the Riverside Bioenergy Facility for the purpose of receiving and processing ADM; collecting, conditioning, and upgrading biogas for the production of biomethane and to deliver such biomethane for sale to SoCal or others as appropriate to maximize revenue. Tenant's use of the Premises and the exercise of any rights granted herein shall not harm, injure, impede, alter, destroy, damage or threaten any of Landlord's operation, maintenance and/or expansion of the WWTP. Should Landlord determine, in its reasonable discretion that Tenant's use of the Premises so violates such terms of this Lease, Tenant, upon written notice from Landlord of such violation in accordance with this Agreement, shall immediately cease and desist such use.

(g) Environmental Credits. Tenant will apply for, obtain, and own all environmental credits that are available in connection with the production of biogas. Monetization of any and all environmental credits shall be included in the value of the Net Revenue generated by Tenant from the operation of the Biogas Upgrading Facility of Section 4(b)(ii) of this Lease.

(h) Maintenance of Digesters. Landlord will be responsible for all operating repairs and maintenance of the Digesters during the Term.

## 6. Tenant Operations and Improvements.

(a) Covenants of Tenant. Tenant will comply with the following covenants and obligations in connection with its operations on the Premises:

(i) Legal Compliance. Tenant will comply with all permits issued in connection with the construction and operation of the Riverside Bioenergy Facility and all federal, state, and local laws, rules, and regulations applicable to the permitted activities of Tenant pursuant to Section 5.

(ii) Environmental Testing. Tenant agrees to allow Landlord to conduct safety and environmental testing at the Premises no less than once every calendar year. Such testing may include, but shall not be limited to, testing the integrity of the Riverside Bioenergy Facility for containment of biogas and biomethane, air sampling, soil samples, and water quality samples. Landlord shall bear the costs of such testing. Tenant agrees to provide Landlord immediate access to conduct any such testing, subject to reasonable notice given to Tenant. Landlord also agrees to share with Tenant the results of any testing conducted at the Premises, including any testing required under Tenant's current permits.

(b) Tenant Improvements. All improvements required or permitted by this Lease will be constructed by licensed contractors. Tenant shall be responsible for obtaining all permits and approvals necessary for construction and operation of the improvements, including without limitation, compliance with all building codes of the City of Riverside. All permitted improvements must be inspected and approved by the City of Riverside prior to use. Landlord will reasonably cooperate with Tenant as necessary for the application process for any permits and approvals. All of Tenant's contractors shall carry the

insurance required by this Lease while working within the WWPT and shall name Landlord as an additional insured.

7. Delivery of Premises. Upon execution of the Original Agreement, Tenant had examined the Premises and agreed to take possession of the Premises in an “as is” condition. Tenant acknowledged and agreed that, except for the express representations set forth in this Lease, Landlord, including its authorized agents, representatives and employees, had not made any representations, guarantees or warranties regarding the Premises, nor has Landlord, its agents, representatives, or employees made any representations, guarantees or warranties regarding whether the Premises and improvements thereon comply with applicable covenants and restrictions of record, building codes, ordinances or statutes in effect at the Commencement Date.

8. Liens. Tenant will keep the Premises free from any liens arising out of any work performed, materials furnished, or obligations incurred by Tenant. Landlord has the right to post and keep posted on the Premises any notices that may be provided by law or which Landlord may deem to be proper for the protection of Landlord from such liens.

9. Landlord Mortgages and Other Encumbrances.

(a) As of the date of execution of this Lease, in the event the Premises or Landlord’s interest or estate therein, or any portion thereof, is subject to any existing mortgages or deeds of trust, Landlord must obtain and deliver to Tenant, within ten (10) days after the date this Lease is executed, written agreements from each holder of such mortgages or deeds of trust providing that, any such existing mortgage or deed of trust is, and will at all times remain, subordinate to this Lease. Tenant will attorn to the person who acquires Landlord’s interest hereunder through any such mortgages or deeds of trust delivered to Tenant. Landlord agrees to cause to be executed, acknowledged and delivered such further instruments evidencing such subordination of the lien of all such mortgages and deeds of trust to this Lease as may reasonably be required by Tenant.

(b) This Lease will be prior to any Encumbrance (as defined below) entered into and/or recorded after the date of this Lease affecting all or part of the Premises. The word “**Encumbrance**” as used in this Section 9(b) is an all-inclusive term referring to: (a) a deed of trust, mortgage, and/or other security device, including the note and/or obligation that is secured thereby; (b) easements of any kind or nature, including, without limitation, grants of rights of way; (c) leases, tenancy and rental agreements, including, without limitation, ground leases; (d) reservations of rights; and/or, (e) declarations of covenants, conditions and restrictions.

(c) If, however, Landlord and/or any third party to an Encumbrance requires this Lease be subordinate to such Encumbrance, this Lease will be subordinate to that Encumbrance as long as the Encumbrance does not adversely affect Tenant’s rights under or in this Lease in any manner whatsoever. Such subordination will be conditioned on Landlord obtaining a written agreement from the other party(ies) to, and furnishing to Tenant a copy of such duly executed written agreement detailing, the subordinating Encumbrance to the effect that no foreclosure (including, without limitation, a deed in lieu of foreclosure), and/or termination of any such Encumbrance will affect Tenant’s rights under this Lease. Tenant will attorn to any purchaser at a foreclosure sale, to any grantee or transferee of any deed given in lieu of foreclosure, or any successor of Landlord.

(d) Landlord may at any time, and from time to time, as it may see fit, mortgage, grant a deed of trust on, or otherwise hypothecate its fee estate in the Premises and/or its interest or rights hereunder, or any part thereof, subject always to Tenant’s rights under this Lease. No such alienation or encumbrance shall relieve Landlord of any of its covenants, liabilities and obligations under this Lease.

Tenant will cooperate reasonably with Landlord in the event Landlord at any time during the term of this Lease desires to mortgage, grant a deed of trust on, or otherwise hypothecate its fee estate in the Premises and/or its interest or rights hereunder, or any part thereof.

10. Insurance.

(a) At all times during the Term and during any other time in which Tenant occupies the premises, Tenant at its sole cost and expense shall procure and maintain insurance of the types and in the amounts described below in this Section ("***Required Insurance***").

(i) General Liability Insurance. Tenant shall procure and maintain occurrence version general liability insurance, or equivalent form, with a combined single limit of not less than Two Million Dollars (\$2,000,000) per occurrence and Five Million Dollars (\$5,000,000) in the aggregate for bodily injury, personal injury and property damage.

(ii) Business Vehicle and Automobile Liability Insurance. Tenant shall procure and maintain business automobile liability insurance, or equivalent form, with a combined single limit of not less than One Million Dollars (\$1,000,000) per occurrence.

(iii) Workers' Compensation Insurance. Tenant shall maintain workers' compensation insurance with limits as required by the Labor Code of the State of California, at all times during which Tenant retains employees.

(b) The Required Insurance shall name Landlord, its elected officials, officers, employees, agents, and volunteers as additional insureds.

(c) Tenant shall furnish Landlord with certificates of insurance and endorsements effecting coverage for the Required Insurance on the Commencement Date. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. Landlord reserves the right to require complete, certified copies of all required insurance policies, at any time.

(d) Landlord shall maintain the Required Insurance for the term of this Lease and any extension thereof, and shall replace any certificate, policy or endorsement which will expire prior to that date.

(e) The insurance to be acquired and maintained by Tenant shall be with companies admitted to do business in the State of California with a policy holder's rating of A or higher and a Financial Class of VII or higher. Tenant shall deliver to Landlord, prior to taking possession of the Premises, a certificate of insurance evidencing the existence of the policies required hereunder, and such certificate shall certify that the policy:

(i) Names Landlord and any other entities designated by Landlord as additional insureds under the Commercial General Liability policy;

(ii) Shall not be canceled or altered without thirty (30) calendar days' prior written notice to Landlord;

(iii) Insures performance of Tenant's indemnity set forth in this Agreement;



(iv) Provides that no act or omissions of Tenant shall affect or limit the obligations of the insurer with respect to other insureds or including Landlord;

(v) Includes all waiver of subrogation rights endorsements necessary to effect the provisions below; and

(vi) Provides that the commercial general liability policy and the coverage provided shall be primary, that Landlord although an additional insured, shall nevertheless be entitled to recovery under such policy for any damage to Landlord by reasons of acts or omissions of Tenant, and that coverage carried by Landlord shall be noncontributory with respect to policies carried by Tenant.

11. Indemnification.

(a) Tenant shall defend, indemnify and hold harmless Landlord, its elected and appointed officials, officers, employees, agents and volunteers, from any and all actual or alleged third party claims, demands, causes of action, liability, loss, or damage for personal injury or tangible property damage (“*Claims*”), to the extent of any negligence or willful misconduct of Tenant, its personnel, employees, agents or subcontractors in performance of this Lease. This indemnification will not apply in the event a Claim is caused by the negligence or willful misconduct of Landlord or its employees or agents.

(b) Landlord shall indemnify, defend and hold harmless Tenant and its directors, officers, employees and agents for, from and against any Claims to the extent of any negligence or willful misconduct of Landlord in performance of this Lease. This indemnification will not apply to the extent that a Claim is caused by the negligence or willful misconduct of Tenant or its employees or agents.

(c) The provisions of this Section 11 shall not apply to any Claims related to or arising out of Hazardous Materials on the Premises, all of which shall be governed by the provisions of Section 40.

12. Reserved.

13. Landlord Cooperation. Landlord and Tenant agree that if and when any governmental entity or any public utility company requires the dedication, execution and delivery of any rights-of-way or easements over, under or through the Premises for the purpose of providing water, gas, steam, electricity, telephone, storm and sanitary sewer or any other necessary public utility service or facility for the benefit of the Premises in accordance with the intended use, subject to Landlord’s reasonable approval, Landlord and Tenant will execute, acknowledge and deliver, such instruments or documents as may be reasonably required for such purpose. Landlord’s cooperation, as provided for herein, includes, among other things, granting other necessary approvals, joining in any offers of dedication, and executing, acknowledging and delivering, subject to Landlord’s approval, any necessary instruments or documents; provided, however, that Landlord is not obligated to expend any sums of money in connection with its obligation to cooperate as provided in this Section 13.

14. Utility Services. Except as set forth in Section 5(b), at Tenant’s sole cost and expense, Tenant will obtain and pay for, all utilities including, but not limited to, electricity, gas, potable water, reclaimed water, sewer and telephone and other services which Tenant requires with respect to the Premises.

15. Maintenance and Repair.

(a) At all times during the term hereof, Tenant, at its sole cost and expense, shall operate its business on the Premises in a manner that will keep the Premises, every part thereof and all of

the Riverside Bioenergy Facility, in good condition and repair, ordinary wear and tear and damage thereto by fire, earthquake, act of God or the elements excepted.

(b) If the Riverside Bioenergy Facility is damaged or destroyed by a risk that is covered by the insurance required by Section 10, then Tenant shall restore the Riverside Bioenergy Facility to substantially the same condition as they were immediately before the destruction or to the extent covered by insurance and relevant pursuant to codes and requirements at the time.

(c) If the Riverside Bioenergy Facility is materially damaged or destroyed by a risk that is not covered by the insurance, Tenant may terminate this Lease at its sole discretion. Alternatively, Tenant may repair the facility at its sole cost and expense. The cost of such repairs shall be added to the capital cost of the Riverside Bioenergy Facility and amortized on a monthly basis over the remaining useful life of the facility. If Tenant terminates this Lease pursuant to this Section 15(c), termination shall be accomplished in accordance with Section 22.

(d) The provisions of Civil Code Sections 1932(2) and 1933(4), and any successor statutes, are inapplicable with respect to any destruction of the Riverside Bioenergy Facility (such sections providing that a lease terminates upon the destruction of a Premises unless otherwise agreed between the Parties to the contrary).

16. Alterations and Expansion.

(a) Tenant shall not make any material alterations, additions, or improvements to or of the Premises, or any part thereof without the prior approval of Landlord, which approval will not be unreasonably withheld.

(b) During the Term, Tenant may propose one or more expansions of its facilities. Such new facilities may only be located within areas which do not interfere with the operation of the WWTP. Landlord agrees to consider any proposal from Tenant in good faith. Landlord will notify Tenant within thirty (30) days of the submission of a plan for expansion whether Landlord desires to proceed with the negotiation of a new agreement to cover the operation of such facilities or an addendum to this Agreement.

17. Reserved.

18. Assignment.

(a) Assignment. Except as otherwise permitted in Section 23 or relating to an affiliate, Tenant shall not assign, hypothecate or transfer, either directly or by operation of law, this Lease or any interest herein without prior written consent of Landlord. Any attempt to do so shall be null and void, and any assignee, hypothecate or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer. Landlord covenants and agrees that upon an assignment, or transfer of the Lease, Tenant is relieved of any and all covenants and obligations under this Lease accruing after such assignment or transfer.

(b) Permitted Transfer. Notwithstanding any other provision of this Lease to the contrary, Landlord approval of an assignment of this Lease shall not be required in connection with any of the following transfers (each a "Permitted Transfer"):

- i. any requested assignment for financing;

ii. any transfer of the Lease to an entity controlled by, or under common control with, Tenant;  
or,

iii. any transfer to a limited partnership in which Tenant or an entity controlled by Tenant is the administrative general partner. The term “control” as used in the immediately preceding sentence, means, with respect to an entity that is a corporation, the right to the exercise, directly or indirectly, of more than 50% of the voting rights attributable to the shares of the controlled corporation, and, with respect to an entity that is not a corporation, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled person;

19. Memorandum of Lease. Either Landlord or Tenant may record at its expense a short form Memorandum of Lease similar to the Exhibit “E” attached hereto and the Party from whom such document is requested agrees to cooperate in executing the document in a timely fashion and in providing any other reasonable assistance which may be necessary for recordation of the Memorandum of Lease, at no expense to the non-requesting Party.

20. Title to Improvements. Throughout the term of this Lease, title to the Riverside Bioenergy Facility, and all changes, additions and alterations therein, and all renewals and replacements thereof, when made, erected, constructed, installed or placed upon the Premises are and shall remain vested in Tenant. During the term of this Lease, Tenant alone is entitled to claim depreciation on the Tenant’s Improvements and all personalty and fixtures in or appurtenant thereto, and all changes, additions and alterations therein, for all taxation purposes.

21. Events of Tenant’s Default and Landlord’s Remedies.

(a) Events of Default. If one or more of the following events (“*Event of Default*”) occurs, such occurrence constitutes a breach of this Lease by Tenant:

(i) Tenant fails to pay any Rent as and when the same becomes due and payable, and such failure continues for more than sixty (60) days after Landlord gives written notice thereof to Tenant;

(ii) Tenant fails to pay any other sum or charge payable by Tenant hereunder as and when the same becomes due and payable, and such failure continues for more than sixty (60) days after Landlord gives written notice thereof to Tenant;

(iii) Tenant fails to comply in all material respects with any legal or regulatory requirement, permit obligation or operating covenant of Tenant pursuant to Section 6 and such failure is not remedied within thirty (30) days after Tenant receives written notice from Landlord; or

(iv) Tenant fails to perform or observe any other agreement, covenant, condition or provision of this Lease hereof to be performed or observed by Tenant as and when performance or observance is due, and such failure continues for more than thirty (30) days after Tenant receives written notice from Landlord, or if such default cannot be cured within said thirty (30) day period and Tenant fails within such period to commence with due diligence and dispatch the curing of such default, having so commenced, thereafter fails to prosecute or complete with due diligence and dispatch the curing of such default.

(b) Landlord’s Right to Terminate. If an Event of Default occurs, subject to Section 40(d) below, Landlord at any time thereafter has the right to terminate this Lease.

22. Event of Landlord Default and Tenant's Remedies.

(a) Event of Landlord's Default. If the following event (a "***Landlord Event of Default***") occurs, such occurrence constitutes a breach of this Lease by Landlord: If Landlord fails to perform or observe any other agreement, covenant, condition or provision of this Lease to be performed or observed by Landlord as and when performance or observance is due, and such failure continues for more than sixty (60) days after Tenant gives written notice thereof to Landlord or, if the default cannot be cured within said sixty (60) day period, Landlord fails within said period to commence with due diligence and dispatch the curing of such default or, having so commenced, thereafter fails to prosecute or complete with due diligence and dispatch the curing of such default.

(b) Tenant's Remedies. Upon the occurrence of a Landlord Event of Default, Tenant will have all the rights and remedies available to it at law, in equity, by statute or otherwise.

23. Mortgaging of Leasehold Estate. Notwithstanding any other provision of this Lease, it is agreed that Tenant shall have the right to mortgage or otherwise encumber its leasehold interest. If Tenant mortgages its leasehold estate and the mortgagee or holders of the indebtedness secured by the leasehold mortgage or trust deed shall notify Landlord, in the manner provided for the giving of notice, of the execution of such mortgage or trust deed and name the place for service of notice upon such mortgagee or holder of indebtedness, then, in such event, Landlord agrees for the benefit of such mortgagees or holders of indebtedness from time to time:

(a) That Landlord will give to any such mortgagee or holder of indebtedness simultaneously with service on Tenant, a duplicate of any and all notices or demands given by Landlord to Tenant. Such notices shall be given in the manner and be subject to the terms of the notice provisions of this Lease.

(b) That such mortgagee or holder of indebtedness shall have the privilege of performing any of Tenant's covenants under this Lease, of curing any default of Tenant or of exercising any election, option or privilege conferred upon Tenant by the terms of this Lease.

(c) That no liability for the payment of rental or the performance of any of Tenant's covenants and agreements shall attach to or be imposed upon any mortgagee, trustee under any trust deed or holder of any indebtedness secured by any mortgage or trust deed upon the leasehold estate, unless such mortgagee, trustee or holder of indebtedness forecloses its interest and becomes the Tenant under this Lease.

24. Notices. All notices, demands, consents, approvals, and other communications which may or are required to be given by either Landlord or Tenant to the other under this Lease, except for routine communications, will be deemed to have been fully given when made in writing and personally delivered or sent via commercial overnight courier, and addressed to Landlord or Tenant at the address set forth below, or at such other addresses, including email with confirmation of receipt, as Landlord or Tenant may from time to time designate in writing in accordance with this Section:

Landlord: City of Riverside  
Attn: Public Works Department  
3900 Main Street  
Riverside, CA 92522

Tenant: Riverside Bioenergy Facility, LLC  
Attn: Margaret Laub Niehoff  
705 Palomar Airport Road, #200  
Carlsbad, CA 92011

25. Quiet Enjoyment; Waiver. Landlord agrees that so long as Tenant is not in default hereunder, Tenant has the right to quiet enjoyment of the Premises without molestation or hindrance on the part of Landlord. Landlord hereby acknowledges that the Premises may contain Gas Monitoring and Management, and ADM Processing. Landlord hereby waives the right to assert any claim, demand or other legal action against Tenant, arising out of Tenant's operation of the Riverside Bioenergy Facility, excluding for odor control, so long as Tenant operates the Riverside Bioenergy Facility in compliance with this Lease and all local, state, and federal laws and standards.

26. Authority. Each person executing this Lease on behalf of Landlord and Tenant hereby covenants and warrants that (a) the entity on whose behalf such person is signing is duly organized and validly existing under the laws of its state of organization; (b) such entity has and is qualified to do business in California; (c) such entity has full right and authority to enter into this Lease and to perform all Landlord's and Tenant's obligations hereunder; and (d) each person, or both of the persons if more than one signs, signing this Lease on behalf of Landlord or Tenant is duly and validly authorized to do so. The individuals signing on behalf of Landlord further warrant that Landlord is the fee owner of the Premises.

27. No Waiver. The waiver by either Party of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained.

28. Holding Over. If Tenant holds possession of the Premises after the term of this Lease or any extension thereof, Tenant shall, at the option of Landlord, to be exercised by Landlord giving written notice to Tenant and not otherwise, become a tenant from month-to-month upon the terms and conditions herein specified, so far as applicable, and shall continue to be such tenant until ninety (90) days after Tenant shall have given to Landlord, or Landlord shall have given to Tenant, a written notice of intention to terminate such monthly tenancy.

29. Eminent Domain.

(a) Termination Rights. If all or any part of the Premises are taken as a result of the exercise of the power of eminent domain or any agreement in lieu thereof, this Lease will terminate as to the part so taken as of the date of taking. In the case of a partial taking, Tenant has the right to terminate this Lease as to the balance of the Premises not taken by giving written notice to Landlord within sixty (60) days after such date; provided, however, that a condition to the exercise by Tenant of such right to terminate is that the portion of the Premises taken is of such extent and nature as substantially to handicap, impede or impair Tenant's use of the remaining portion.

(b) Condemnation Award. The proceeds of any condemnation award or any private sale in lieu thereof shall be allocated as follows:

(i) First, to Tenant, an amount equal to the sum of the following:

(A) A sum of that portion of the award attributable to the Riverside Bioenergy Facility; and

(B) A sum attributable to that portion of the award constituting severance damages for the restoration of the Premises, business interruption, trade fixtures or relocation and moving expenses incurred by Tenant.

(ii) Second, to Landlord, the balance of the award.

(c) Further Acts. Each Party agrees to deliver to the other all instructions that may be necessary to effectuate the provisions of this Section 29.

(d) Apportionment of Rent. In the case of a total taking or a partial taking which results in the termination of this Lease, the Basic Rent and any and all other additional rent theretofore paid or then payable must be apportioned and paid up to the date of termination and any unearned Basic Rent or other additional rent must be immediately refunded to Tenant. In the case of a partial taking which does not result in a termination of this Lease, Basic Rent and any additional rent thereafter to be paid by Tenant under this Lease must be equitably reduced in a pro-rata manner in proportion to the part of the Premises which has been taken.

30. Signage. Other than for compliance with the law or safety, Tenant will not place any signage on the Premises without prior approval of Landlord in Landlord's reasonable discretion other than ground level signage to direct third parties to the Riverside Bioenergy Facility.

31. Limitation of Liability. Neither Party shall be liable to the other for lost revenues or consequential, special, or punitive damages. Landlord specifically acknowledges that Tenant has made no assurances regarding Additional Rent to be paid to the Landlord. Except for claims of personal injury or property damage covered by insurance or involving Tenant's gross negligence, the total aggregate liability of each Party to the other shall be limited to one million dollars (\$1,000,000.00).

32. Force Majeure. Neither Party shall not be deemed in default of this Lease, nor shall such Party be responsible for, any cessation, interruption or delay in the performance of its obligations (excluding payment obligations) due to earthquake, flood, fire, storm, natural disaster, act of God (inclusive without limitation of extreme weather events, drought, earthquake, fire, flood, lightening, hurricane, high winds or other natural disasters), war, terrorism, armed conflict, labor strike, lockout, boycott, pandemic, or other similar events beyond the reasonable control of Tenant, provided that the Party asking to be excused from performance as a result of such occurrence gives the other Party prompt written notice thereof and takes steps reasonably necessary to mitigate the effects of the event. The Party claiming the occurrence of force majeure shall use its best efforts to mitigate such event and resume performance as soon as reasonably practicable. If an event of force majeure continues for a period in excess of ninety (90) days, then the Parties will meet and confer in good faith to determine whether it is economically and operationally feasible to mitigate the effects of the event or to rebuild the facilities of either Party as necessary to restore performance of the terms of this Lease no later than one (1) year from the commencement of the event of force majeure or such longer period which the Parties shall mutually agree upon. If the Parties are not able to identify a mutually acceptable plan to restore performance of this Lease within such time period, then either Party may terminate this Lease.

33. Successors and Assigns. The covenants and conditions herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of all parties hereto, and all of the parties hereto shall be jointly and severally liable hereunder.

34. Complete Agreement. There are no written or oral agreements between Landlord and Tenant affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, oral or written, if any, between Landlord and Tenant or displayed by Landlord to Tenant with respect to the subject matter of this Lease or the Premises. There are no representations between Landlord and Tenant or between any real estate broker and Tenant other than those expressly set forth in this Lease, and all reliance with respect to any representations is solely upon representations expressly set forth in this Lease.

35. Amendment and Modification. This Lease may not be amended or modified in any respect whatsoever except by an instrument in writing signed by Landlord and Tenant. This Lease and any instrument, agreement or document attached hereto or referred to herein, is intended by Landlord and Tenant as the final expression of the agreement with respect to the terms and conditions set forth in this Lease and any such instrument, agreement or document and as the complete and exclusive statement of the terms agreed to by Landlord and Tenant.

36. Cooperation of Parties. Landlord and Tenant each will cooperate with the other in performing the agreements, covenants, conditions and provisions of this Lease so as to allow the other to achieve its reasonable expectations with respect to the same. Neither Party will take any action which would frustrate the other's ability to achieve the benefits to be enjoyed under this Lease. Landlord will provide all reasonably necessary assistance to Tenant in obtaining all permits, authorizations, and approvals of all governing public agencies required for Tenant's construction of the Tenant's Improvements, installation of any and all signage and subsequent operation of its business at the Premises.

37. Estoppel Certificates. At any time and from time to time but on not less than ten (10) days prior written request by Landlord or Tenant, the other Party will execute, acknowledge and deliver to the requesting Party, a certificate certifying, if accurate:

(a) that this Lease is unmodified and in full force and effect or, if there have been modifications, that this Lease is in full force and effect as modified, and stating the date and nature of each modification;

(b) the date, if any, to which all rent and other sums payable hereunder have been paid;

(c) that no notice has been received by such Party of any default by such Party hereunder which has not been cured, except as to defaults specified in the certificate;

(d) to the best of the actual knowledge of the non-requesting Party, that the other Party is not in default hereunder, except as to defaults specified in the certificate;

(e) the existence of any options or other rights to purchase the Premises; and

(f) such other factual matters as may be reasonably requested.

The certificate may be relied upon by any actual or prospective purchaser, mortgagee or beneficiary under any deed of trust of the Premises or any part thereof.

38. Hazardous Materials. Tenant will not cause or permit the storage, use, generation, or disposition of any Hazardous Materials, as hereinafter defined, in, on, or about the Premises by Tenant, its agents, employees, or contractors so as to cause the Premises to be contaminated by any Hazardous Materials in violation of any applicable laws, ordinances, orders, rules and regulations regulating, relating

to, or imposing liability of standards of conduct concerning any Hazardous Materials or pertaining to occupational health or industrial hygiene, occupational or environmental conditions on, under, or about the Premises, as now or may at any later time be in effect, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") [42 USC Section 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 ("RCRA") [42 USC Section 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act ("FWPCA") [33 USC Section 1251 et seq.]; the Toxic Substances Control Act ("TSCA") [15 USC Section 2601 et seq.]; the Hazardous Materials Transportation Act ("HMTA") [49 USC Section 1801 et seq.]; the Insecticide, Fungicide, Rodenticide Act [7 USC Section 6901 et seq.] the Clean Air Act [42 USC Section 7401 et seq.]; the Safe Drinking Water Act [42 USC Section 300f et seq.]; the Solid Waste Disposal Act [42 USC Section 6901 et seq.]; the Surface Mining Control and Reclamation Act [30 USC Section 101 et seq.] the Emergency Planning and Community Right to Know Act [42 USC Section 11001 et seq.]; the Occupational Safety and Health Act [29 USC Section 655 and 657]; the California Underground Storage of Hazardous Substances Act [H & S C Section 25288 et seq.]; the California Hazardous Substances Account Act [H & S C Section 25300 et seq.]; the California Safe Drinking Water and Toxic Enforcement Act [H & S C Section 24249.5 et seq.] the Porter-Cologne Water Quality Act [Water Code Section 13000 et seq.] together with any amendments of or regulations promulgated under the statutes cited above and any other federal, state or local law, ordinance, order, rule or regulation now in effect or later enacted that pertains to occupational health or industrial hygiene, and only to the extent the occupational health or industrial hygiene laws, ordinances, or regulations relate to hazardous substances on, under or about the Premises, or the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water or land use ("Environmental Laws").

(a) Tenant shall immediately notify Landlord in writing and provide copies upon receipt of all written complaints, claims, citations, demands, inquiries, reports or notices relating to the condition of the Premises or compliance with Environmental Laws. Tenant shall promptly cure and have dismissed with prejudice and of those actions and proceedings to the reasonable satisfaction of Landlord. Tenant shall keep the Premises free of any lien imposed as a result of its use thereof pursuant to Environmental Laws.

(b) For the purpose of this Section 38, the term "Hazardous Materials" shall include, without limitation, substances defined as "hazardous substances," "hazardous materials," "toxic substances," "hazardous wastes," "extremely hazardous wastes," or "restricted hazardous wastes," or stated to be known to cause cancer or reproductive toxicity, under any Environmental Law. Tenant shall not permit to occur any release, generation, manufacture, storage, treatment, transportation or disposal of any Hazardous Materials on the Premises during the Term; provided, however, that "Hazardous Materials" shall not include materials commonly used in the ordinary operations of a retail automobile sales, storage, and repair operations, provided that (1) such materials are used and properly stored on the Premises in quantities ordinarily used and stored in comparable retail automobile sales, service, storage, and repair operations, and (2) such materials are used and properly stored in compliance with Environmental Laws. Tenant shall promptly notify Landlord in writing if Tenant has or acquires notice or knowledge that any Hazardous Materials have been or are threatened to be released, discharged, disposed of, transported, or stored on, in, under or from the Premises; and if any Hazardous Materials are found on the Premises that were caused by Tenant or as a result of Tenant's use thereof, Tenant, at its sole cost and expense, shall immediately take such action as is necessary to detain the spread of and remove the Hazardous Material to the complete satisfaction of Landlord and the appropriate governmental authorities.

(c) Landlord shall, at Landlord's sole cost and expense, have the right from time to time with the notice required in this Lease, to conduct environmental audits of the Premises, and Tenant shall reasonably cooperate (at no cost to Tenant) in the conduct of those audits; provided, however, that Landlord's entry and audits shall not unreasonably interfere with Tenant's occupation of the Premises.



(d) If Tenant fails to comply with the forgoing covenants pertaining to Hazardous Materials, Landlord may cause the removal (or other cleanup acceptable to Landlord) of any Hazardous Materials from the Premises. The costs of Hazardous Materials removal and any other cleanup (including transportation and storage costs) will be additional rent under this Agreement, and those costs will become due and payable on demand by the Landlord to the extent resulting from Tenant's actions. Tenant shall give Landlord, its agents and employees access to the Premises to remove or otherwise cleanup any Hazardous Materials. Landlord, however, has no affirmative obligation to remove or otherwise cleanup any Hazardous Materials, and this Agreement shall not be construed as creating any such obligation.

(e) Except to the extent caused by Landlord's gross negligence or willful or criminal misconduct, Tenant shall indemnify, defend (with counsel reasonably acceptable to Landlord and at Tenant's sole cost), and hold Landlord and Landlord's elected and appointed officials, officers, employees, agents, successors and assigns free and harmless from and against all losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages (including consequential damages), disbursements or expenses of any kind (including attorneys' and experts' fees and expenses and fees and expenses incurred in investigating, defending or prosecuting any litigation, claim or proceeding) that may at any time be imposed upon, incurred by, or asserted or awarded against Landlord in connection or arising out of: (i) any violation or claim of violation of any Environmental Law by Tenant; or (ii) the imposition of any lien for the recovery of costs for environmental cleanup or other response costs relating to the release or threatened release of Hazardous Materials on, in, under or affecting all or any portion of the Premises caused by Tenant's breach of its obligations under this Section 38. Tenant's indemnification shall survive the expiration and termination of this Agreement.

39. Incorporation of Exhibits and Documents. Each and every exhibit or document referenced in this Lease, whether or not attached to this Lease, shall be incorporated into the body of this Lease and each point of reference.

40. Miscellaneous.

(a) The words "**Landlord**" and "**Tenant**" as used herein include the plural as well as the singular. If there is more than one Tenant or Landlord, the obligations hereunder imposed upon Tenant or Landlord are joint and several. Time is of the essence of this Lease and each and all of its provisions. Subject to the provisions applicable to assignment, the agreements, covenants, conditions and provisions herein contained apply to and bind the personal representatives, heirs, successors and assigns of Landlord and Tenant.

(b) This Lease is construed to effectuate the normal and reasonable expectations of a sophisticated Landlord and a sophisticated Tenant.

(c) This Lease has been submitted by Landlord and reviewed by Tenant, Landlord, and their respective professional advisors. Tenant, Landlord, and their respective advisors believe that this Lease is the product of all of their efforts, that it expresses their agreement and that it should not be interpreted in favor of or against either Tenant or Landlord.

(d) Should any dispute or claim arise between the Parties concerning the terms, interpretation, effect, or operation of this Agreement, the Parties agree to make good faith efforts to informally resolve such dispute or claim through discussions between the City Manager of Riverside and the Chief Operating Officer of Tenant. If the Parties fail to resolve such disputes or claims, then either Party shall have the right to submit the dispute or claim to nonbinding mediation with Judicial Arbitration and Mediation Services in the County of Riverside, State of California, which mediation will be carried out

within thirty (30) days of the submission date. The Parties will share equally in the cost of mediation. If mediation does not arrive at a mutually acceptable resolution of the dispute, then either Party may pursue any remedy available to it in law or in equity.

(e) This Lease is to be governed by and construed in accordance with the laws of the State of California. All disputes will be brought in the County of Riverside.

41. Digital and Counterpart Signatures. Each party to this Agreement intends and agrees to the use of digital signatures that meet the requirements of the California Uniform Electronic Transactions Act (Civil Code §§ 1633.1, et seq.), California Government Code § 16.5, and California Code of Regulations Title 2 Division 7 Chapter 10, to execute this Agreement. The parties further agree that the digital signatures of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures for purposes of validity, enforceability, and admissibility. For purposes of this section, a “digital signature” is defined in subdivision (d) of Section 16.5 of the Government Code and is a type of “electronic signature” as defined in subdivision (h) of Section 1633.2 of the Civil Code. This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each certified or authenticated electronic copy of an encrypted digital signature shall be deemed a duplicate original, constituting one and the same instrument and shall be binding on the parties hereto.

**[SIGNATURES ON FOLLOWING PAGE.]**

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first herein above written.

**LANDLORD:**

CITY OF RIVERSIDE,  
a California charter city and municipal  
corporation

By: \_\_\_\_\_  
City Manager

**TENANT:**

RIVERSIDE BIOENERGY FACILITY, LLC,  
a Delaware limited liability company

By: ~~\_\_\_\_~~ Yaniv Scherson (Nov 6, 2025 13:50:26 PST)  
Print Name: Yaniv Scherson  
Title: COO

**ATTESTED TO:**

By: \_\_\_\_\_  
City Clerk

**and**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**CERTIFIED AS TO AVAILABILITY OF FUNDS:**

By:  \_\_\_\_\_  
Chief Financial Officer

**APPROVED AS TO FORM:**

By:  \_\_\_\_\_  
Deputy City Attorney

**EXHIBIT "A"**

**SITE MAP**



**EXHIBIT “B”**

**PREMISES**

**Description of Leased Areas:**

Riverside Bioenergy will be leasing the Gas Treatment Area, Compressor Room, Utility Room, and Control room with restroom and maintenance room. The areas are called out in the attached exhibit and will house Riverside Bioenergy equipment, computers, tools, and spare parts for the RNG facility operations. Riverside Bioenergy will also need access rights to the electrical room to maintain the RNG electrical gear and will require a non-exclusive easement for the RNG piping to the SoCal Gas Point of Receipt.



## EXHIBIT "D"

### Acceptance Memorandum

[site address] (the "Premises")

Pursuant to Section 3 of the Amended and Restated Lease and Energy Services Agreement dated on or about \_\_\_\_\_, 2025 (the "Lease") between City of Riverside, a California charter city and municipal corporation ("Landlord") and Riverside Bioenergy Facility, LLC, a Delaware limited liability company ("Tenant") with respect to the Premises, Landlord and Tenant acknowledge and agree that for all purposes in the Lease:

1. The Commencement Date is \_\_\_\_\_ (which is date of the Notice to Proceed).
2. The Commercial Operation Date is \_\_\_\_\_.
3. The Expiration Date of the Term is \_\_\_\_\_, 20\_\_ (20 years after the Commercial Operation Date). Tenant has two options to extend the Lease Term and Expiration Date by five years for each extension. If Tenant exercises all extension options then the Expiration Date will be \_\_\_\_\_ (30 years after the Commercial Operation Date).
4. The Base Rent Start Date is \_\_\_\_\_, 2025 (the date of the Notice to Proceed).
5. Notices to Landlord for Landlord Repairs and/or emergencies are to be given to: Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_
6. All capitalized terms used herein shall have the same meaning as set forth in the Lease.

When signed by Landlord and Tenant, this Acceptance Memorandum is attached to and incorporated in the Lease as Exhibit B, shall replace the form of Exhibit B attached to the Lease as of the Effective Date thereof, and the Lease is amended to be consistent with this Acceptance Memorandum.

Dated: \_\_\_\_\_

Landlord:

City of Riverside,  
a California charter city and municipal corporation  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Tenant:

Riverside Bioenergy Facility, LLC  
a Delaware limited liability company  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT "E"**

**Memorandum of Lease**

WHEN RECORDED, RETURN TO:

[developer address]

**MEMORANDUM OF LEASE**

Landlord: The City of Riverside  
3900 Main Street  
Riverside, CA 92522

Tenant: Riverside Bioenergy Facility, LLC, a Delaware limited liability company

Premises: \_\_\_\_\_, Described in Exhibit A

This Memorandum of Lease is recorded in the Riverside County Public Records to give notice of that certain Amended and Restated Lease and Energy Services Agreement dated on or about \_\_\_\_\_, 20\_\_\_\_ (the "Lease") between City of Riverside, a California charter city and municipal corporation ("Landlord") and Riverside Bioenergy Facility, LLC, a Delaware limited liability company ("Tenant"). The Lease term commences on \_\_\_\_\_ (the "Effective Date," as defined in the Lease and expires on \_\_\_\_\_ (defined in the Lease as the twentieth calendar year following the Commercial Operation Date), subject to extension under the terms stated in the Lease. The Lease grants Tenant certain rights to purchase the Premises. All of the other terms, conditions, and agreements contained within the Lease are fully incorporated herein by reference as if set forth in full herein. This Memorandum of Lease does not amend the Lease and is subject to all terms of the Lease.

Landlord: City of Riverside,  
a California charter city and municipal corporation  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Tenant: Riverside Bioenergy Facility, LLC, a Delaware limited liability company  
  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**{Notarization}**

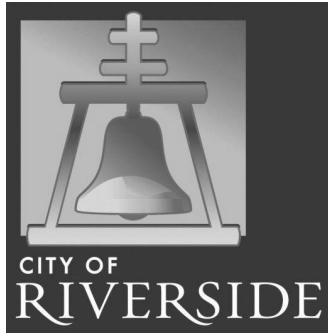


## **EXHIBIT “F”**

### **Host Fee Methodology**

Landlord and Tenant will cooperate in good faith to evaluate the findings of the Tech Memo against the findings of the Feasibility Studies. Any modification or update will be made consistent with Section 1(c) of this Lease.

# EXHIBIT "F"



CITY OF RIVERSIDE

**Wastewater Master Planning Services**

TECHNICAL MEMORANDUM

## Food Waste Host Fee

November 2025

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## Appendices

### APPENDIX A     DETAILED O&M ALLOCATION

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## Abbreviations

Carollo	Carollo Engineers
mgd	million gallons per day
PPP	public-private partnership
RWQCP	Regional Water Quality Control Plant
tpd	tons per day
TS	total solids
VS	volatile solids

## Purpose

This technical memorandum presents the development of cost-based host fees for food waste to be processed at the City of Riverside's (City) Regional Water Quality Control Plant (RWQCP or plant) under a proposed public-private partnership (PPP). The fees are calculated by developing unit costs per ton of wet solids introduced to the digestion system.

## Methodology

The host fee is calculated by determining the City's costs to provide digestion at the RWQCP per pound of dry solids and then using the assumed percent solids by weight of the food waste to determine a cost per ton treated. The analysis utilizes information from the financial model and the performance based budget model that were developed during the recent (2019) master planning effort as well as the City's FY 2024/25 budget, the City's Blue Plan-it model for solids treatment, records of historical capital costs, and information provided by Anaergia, the private partner involved in the PPP.

Based on cost-of-service principals, the analysis includes the full costs of digestion for plant biosolids sludge and food waste divided by the total tons of plant biosolids and food waste. This approach recognizes that in order to be able to treat food waste, the other aspects of the digestion process along with ancillary costs that the City incurs in order to operate, maintain, and manage that process are necessary to maintain its availability and functionality.

The host fee for all solids processed is calculated based on the summary equation below:

$$\text{Tipping Fee} = \frac{\text{Total Revenue Requirements for Digestion (Plant Sludge \& Food Waste)}}{\text{Total Solids to Be Digested (tons) (Plant Sludge plus Food Waste)}}$$

The calculations to determine the total revenue requirements for digestion are described later in this memorandum.

The proposed fee calculation methodology has the advantage of spreading the City's fixed costs for digestion over a greater customer base as those costs will be to the benefit of both City customers and food waste processing customers. While variable digestion costs such as electricity and chemical supplies will increase in proportion to the volume to be digested, incremental savings on a unit cost basis (compared to the current unit cost to digest sludge) will be realized for both City customers and food waste processing customers since the fixed costs would be spread out over more tonnage or volume.

## Key Assumptions

The calculated host fee presented in this document is based on the following key assumptions related to the PPP agreement and the costs, plant flows and loads, and sludge characteristics outlined in subsequent sections of this memorandum. Should these assumptions or other conditions at the plant change, the host fee should be reevaluated.

## Key Analysis Assumptions:

1. Capital costs to rehabilitate Digester 5, which would be the digester receiving food waste, are not included in the host fees as they are assumed to be covered by grant revenues or otherwise funded by the PPP under a separate project.
2. Dewatering costs are not included in the host fees as it is understood that those activities will ultimately be performed by the private partner under a separate agreement and the City will compensate the partner for the costs to dewater plant sludge.
3. Refuse/Disposal fees for dewatered sludge are not included in the host fee as the partner will be responsible for disposing of all dewatered sludge resulting from food waste treatment.

## Blue Plan-it® Model:

The City completed a Master Plan for the Sustainability of Biogas Generation and Biogas Production in October 2020. The main purpose of the plan was to develop a modeling tool to assess the capacity of existing solids handling facilities to handle addition of food waste, estimate the digester gas produced, and evaluate the beneficial use of the biogas. The modeling tool developed and used for the evaluation was Carollo Engineers, Inc.'s (Carollo's) Blue Plan-it® model. The model was used to investigate beneficial digester gas use options based on anticipated future projects and recent legislative changes because the South Coast Air Quality Management District (SCAQMD) implemented stricter emission limits for flares and for internal combustion engines in biogas cogeneration plants. Ultimately, the results of the plan along with the Blue Plan-it® model assisted the City in making the decision to pursue the PPP with Anaergia.

The analysis described in this memorandum also relied on data from the Blue Plan-it® model, specifically assumptions for sludge volumes and percent-solids from the RWQCP processes. Operational Assumptions

In addition to the information in the financial model and the performance based budget model, the analysis relies on operational data and assumptions to allocate costs to digestion and to calculate the host fees. Those data and assumptions and associated calculations are presented in the tables below.

Table 1 shows the RWQCP influent, RWQCP primary and thickened waste activated sludge quantity, and calculated plant throughput with the returned flows included, based on the information from the City's Master Plan and Blue Plan-it® model and the resulting flow returned to the primaries calculated in **Error!**

**Reference source not found..**

Table 1 RWQCP Flows and Sludge Quantities

Item	Description	Value	Notes
A	Primary Sludge (MGD)	0.2140	From Blue Plan-it® model
B	Thickened Sludge (MGD)	0.0995	From Blue Plan-it® model
<b>C</b>	<b>Total Plant Sludge to Digesters (MGD)</b>	<b>0.314</b>	A + B
<b>D</b>	<b>Food Waste (MGD)</b>	<b>0.085</b>	From Anaergia
<b>E</b>	<b>Total Combined Flow to Digesters (MGD)</b>	<b>0.399</b>	C + D

Table 2 shows the RWQCP sludge loads from the City's Blue Plan-it® model as well as the expected food waste volume provided by Anaergia. The combined dry mass digested of sludge and food waste treated per year is the denominator of the host fee calculation. From the values shown in Table 2 it can be seen

that the food waste represents about 38 percent of the combined mass of dry solids that will be fed to the digesters.

Table 2 RWQCP Current Sludge Loads

Item	Description	Value	Notes
	<b>Primary Sludge</b>		
A	Flow (mgd)	0.21	From Blue Plan-it® model
B	Total Solids (%)	2.5%	From Blue Plan-it® model
C	Dry Mass (tpd)	22.3	$A \times B \times 8.34 \times 1,000,000 / 2000$
	<b>Thickened Waste Activated Sludge</b>		
D	Flow (mgd)	0.10	From Blue Plan-it® model
E	Total Solids (%)	6.6%	From Blue Plan-it® model
F	Dry Mass (tpd)	27.39	$D \times E \times 8.34 \times 1,000,000 / 2000$
	<b>Total Biosolids Load to Digesters from RWQCP</b>		
G	Dry Mass (tpd)	49.70	C + F
H	Dry Mass (tons per year)	18,139	$G \times 365$
	<b>Food Waste</b>		
I	Flow (mgd)	0.085	From Anaergia
J	Total Solids (%)	8.43%	From Burrtec sampling
K	Dry Mass (tpd)	29.88	$I \times J \times 8.34 \times 1,000,000 / 2000$
L	Dry Mass (tons per year)	10,906	$K \times 365$
<b>M</b>	<b>Combined Dry Mass (tons per year)</b>	<b>29,046</b>	<b>H + L</b>

## Revenue Requirements for Digestion

The revenue requirements include operating and maintenance (O&M), capital, and administrative costs that the City incurs each year as well as net cash flows which are necessary to provide capital funding in future years, to meet the City's debt coverage obligations, and support the Council approved reserve policy, less any offsetting revenues. To determine the revenue requirements for this analysis information from the City's FY 2024/25 budget was combined with information from the financial model, records of historic capital spending, and adjustments to reflect the amount of food waste to be processed based on the information discussed above.

Note that the fiscal years discussed in this Memorandum all begin on July 1 of the first year mentioned; for example, FY 2024/25 begins on July 1, 2024.

## Operating and Maintenance Expenditures

For O&M costs, each line-item is assigned an applicability to the fees based on whether or not its costs and function are needed to process food waste under the PPP. The assigned applicability assumes that food waste will be transferred to the RWQCP digesters via a receiving station constructed and operated by the private partner. The plant O&M costs are therefore adjusted to reflect only the portion of costs that are related to digestion.

Some of the costs are variable and will increase as a result of receiving and processing food waste. These costs are scaled using a factor of 1.27, based on the ratio of the combined sludge flow to the plant solids flow; 0.399 MGD divided by the current plant sludge flow of 0.314 MGD, both from Table 1.

Table 3, on the next page, shows the total budgeted O&M costs for FY 2024/25, by category, and the amount of those costs that are related to digestion. The percentage of each category that is allocated to digestion reflects the cost weighted average for that category. Additional details showing how each type of cost in each category is allocated are included in Appendix A.

- A. Sewer System Administration** costs are incurred by the City for the general oversight and management of all sewer division activities. A portion of these costs, 4.7-percent, are assigned to digestion based on the overall allocation of all other O&M costs to digestion. The scale factor for these costs is 1.0 since they do not vary based on the volume to be digested.
- B. Collection System Maintenance** costs are excluded as they do not apply to digestion.
- C. Treatment** costs are incurred for the operation and maintenance of the treatment plant. Each subcategory of costs is allocated to digestion specifically as shown in Appendix A. Variable digestion costs in this category include electricity, chemical supplies, and other non-personnel costs and are scaled using a factor of 1.27 as they will increase in order to process food waste. Fixed costs in this category will not increase due to food waste processing and are therefore assigned a scale factor of 1.0. The resulting blended scale factor for this category is 1.15.
- D. Environmental Compliance** costs are incurred for the collection system and are therefore excluded from the host fee calculation.
- E. Plant Maintenance** costs are incurred to maintain mechanical assets at the plant. Each subcategory of costs is allocated to digestion specifically as shown in Appendix A. Variable digestion costs in this category include capital purchases and charges for other funds for services and are scaled using a factor of 1.27 as they will increase in order to process food waste. Fixed costs in this category will not increase due to food waste processing and are therefore assigned a scale factor of 1.0. The resulting blended scale factor for this category is 1.03.
- F. Electrical and Instrumentation** costs are incurred to maintain electrical and instrumentation assets at the plant. Each subcategory of costs is allocated to digestion specifically as shown in Appendix A. The scale factor for these costs is 1.0 since they do not vary based on the volume to be digested. Fixed costs in this category will not increase due to food waste processing and are therefore assigned a scale factor of 1.0. The resulting blended scale factor for this category is 1.05.
- G. Sewer SCADA & SPL** costs are incurred to maintain electrical and instrumentation assets at the plant. Each subcategory of costs is allocated to digestion specifically as shown in Appendix A. The scale factor for these costs is 1.0 since they do not vary based on the volume to be digested.
- H. Warehouse** costs are incurred to stock and manage replacement parts and consumable materials and supplies for the plant. Each subcategory of costs is allocated to digestion specifically as shown in Appendix A. The scale factor for these costs is 1.0 since they do not vary based on the volume to be digested.
- I. Laboratory Services** costs are incurred to provide sampling, testing, and other associated services for the plant. Each subcategory of costs is allocated to digestion specifically as shown in Appendix A. The scale factor for these costs is 1.0 since they do not vary based on the volume to be digested.



- J. Debt Service** costs included in this category are only the administrative costs from the City's finance department and others. They are allocated to Digestion as shown in Appendix A. The scale factor for these costs is 1.0 since they do not vary based on the volume to be digested.
- K. Sewer Capital Engineering Services** and **L. Plant Construction Support** costs are incurred to support ongoing capital investment in the RWQCP's assets. Each subcategory of costs is allocated to digestion specifically as shown in Appendix A. The scale factor for these costs is 1.0 since they do not vary based on the volume to be digested.

Table 3 O&M Cost Allocation Summary

Item	Category	FY 2024/25 Budget (\$1,000s)	Digestion %	Digestion (\$) No Food Waste (\$1,000s)	Blended Scale Factor	Digestion (\$) With Food Waste (\$1,000s)
A	Sewer System Administration	\$7,699	4.7%	\$359	1.00	\$359
B	Collection System Maintenance	\$7,516	0.0%	\$0	n/a	\$0
C	Treatment	\$17,861	6.2%	\$1,109	1.15	\$1,277
D	Environmental Compliance	\$1,857	0.0%	\$0	n/a	\$0
E	Plant Maintenance	\$3,739	3.8%	\$142	1.03	\$146
F	Electrical And Instrumentation	\$2,277	9.0%	\$205	1.05	\$216
G	Sewer SCADA & SPL	\$1,197	8.9%	\$107	1.00	\$107
H	Warehouse	\$235	9.0%	\$21	1.00	\$21
I	Laboratory Services	\$1,354	9.7%	\$131	1.00	\$131
J	Debt Service	\$59	4.3%	\$3	1.00	\$3
K	Sewer Capital Engineering Services	\$1,064	2.1%	\$22	1.00	\$22
L	Plant Construction Support	\$265	2.1%	\$5	1.00	\$5
<b>M</b>	<b>Total O&amp;M</b>	<b>\$45,123</b>	<b>4.7%</b>	<b>\$2,104</b>	<b>1.09</b>	<b>\$2,287</b>

## Amortized Capital

The City has completed several improvements and upgrades to the RWQCP's digestion system in recent capital programs. Since 2009, the City has invested \$21.6 million into the digestion system. Those capital costs will be accounted for in the host fee by calculating an annual amortized cost of capital. Table 4 presents a summary of the projects completed as well as their amortized capital value, assuming the same interest rate and term as the bonds used to fund the projects. As shown, the annual amortized cost of capital for the existing assets is \$1.37 million. For the host fee calculation, that amount would be recovered over the total loading to the digestion system, plant loads plus food waste.

Table 4 Amortized Capital Costs Summary (\$ 000)

Item	Project Costs for Solids/Digestion	Project Costs (\$1,000s)	Rate	Term	Annual Amt. (\$1,000s)
	<b>2009 Bonds Projects</b>				
A	Solids Handling Upgrade	\$6,605			
B	Waste Gas Burner System Upgrade	\$3			
C	Low Pressure/High Pressure Dig	\$15			
D	Dewatering Screw Presses	\$584			
E	Digester 3 Roof Rehabilitation	\$347			
F	<b>Subtotal: 2009 Bonds Projects</b>	<b>\$7,554</b>	<b>5.0%</b>	<b>30</b>	<b>\$491</b>
	<b>2014A and 2015A Bonds Projects</b>				
G	Existing digester rehabilitation	\$3,271			
H	New digesters and control building	\$9,158			
I	Digester gas flare	\$642			
J	Digester gas storage	\$440			
K	<b>Subtotal: 2014A and 2015A Bonds Projects</b>	<b>\$13,510</b>	<b>5.0%</b>	<b>30</b>	<b>\$879</b>
L	<b>Total</b>	<b>\$21,604</b>			<b>\$1,370</b>

## Revenue Requirements

Table 5 presents the calculation of revenue requirements for FY 2024/25 and the allocation of each revenue requirement element to digestion. Like the O&M costs in the previous section, the digestion revenue requirements are then scaled as needed to account for the additional food waste to be treated.

- The blended scale factor for O&M costs is 1.09, the overall factor calculated in Table 3.
- Debt Service Principal and Interest (P&I) requirements are not included, and the amortized capital costs from Table 4 are used instead to account for capital costs related to digestion. The scale factor for capital costs is 1.0 (no adjustment) since those costs are fixed and therefore will not increase with the amount of loading treated in the digestion process.
- The scale factor for net cash flows and for offsetting revenues is 1.0 (no adjustment) since they will not change based on the amount of loading treated in the digestion process.

Based on the analysis, digestion makes up 5.0-percent of the City's annual revenue requirements. With the scale factors applied, revenue requirements for digestion with food waste processing will be \$3.32 million for FY 2024/25.

Table 5 Revenue Requirements Allocation Summary

Item	Category	FY 2024/25 Budget (\$1,000s)	Digestion %	Digestion (\$) No Food Waste (\$1,000s)	Scale Factor	Digestion (\$) With Food Waste (\$1,000s)
	<b>Requirements</b>					
A	Total O&M	\$45,123	4.66%	\$2,104	1.09	\$2,287
B	Debt Service (P&I)	\$28,104	0.00%	\$0	n/a	\$0
C	Amortized Cost of Solids/Digestion Projects	n/a	n/a	\$1,370	1.00	\$1,370
D	Net Cash Flows	\$81	2.82%	\$2	1.00	\$2
	<b>Offsetting Revenues</b>					
E	Non-Rate Revenue	(\$1,445)	2.82%	(\$41)	1.00	(\$41)
F	Connection Fees	(\$3,877)	2.07%	(\$80)	1.00	(\$80)
G	CSD O&M Revenue	(\$3,715)	4.66%	(\$173)	1.00	(\$173)
H	Use of Money and Property	(\$1,543)	2.82%	(\$44)	1.00	(\$44)
I	<b>Total Revenue Requirements</b>	<b>\$62,728</b>	<b>5.00%</b>	<b>\$3,139</b>		<b>\$3,322</b>

## Host Fee Calculation

Table 6 shows the calculation of the host fee for FY 2024/25. The fee is calculated by dividing the digestion revenue requirements of \$3.32 million by the estimated total annual biosolids load to the digester, 29,046 tons (Table 2 - plant sludge plus food waste), resulting in a unit cost of \$114.36 per dry ton. The cost per dry ton is then multiplied by the food waste percent solids, 8.43-percent (provided by the private partner), resulting in a host fee of **\$9.64 per wet ton**.

Table 6 Host Fee Calculation

Item	Description	Value	Notes
A	Digestion Revenue Requirements (\$1,000s)	\$3,322	See Line H from Table 6
B	Annual Biosolids Load to Digesters from WWTP (tons)	18,139	See Item H from Table 4
C	Annual Food Waste Load to Digesters from WWTP (tons)	10,906	
D	Total Dry Tons	29,046	
E	Cost per Dry Ton of Biosolids	\$114.36	A / D
F	Food Waste Percent Solids	8.43%	Provided by Anaergia, Emailed by Thuy 10/29/2024
G	<b>Host Fee Per Wet Ton</b>	<b>\$9.64</b>	<b>E x F</b>

## **Conclusion**

Based on the analysis and assumptions outlined in this memo, the calculated host fee for food waste delivered at 8.43-percent solids by mass is \$9.64 per wet ton. Should any of the agreement assumptions or other conditions at the plant change, the host fee should be reevaluated to ensure that it recovers the full cost of food waste digestion.

APPENDIX A    Detailed O&M Allocation

COSTS APPLICABLE TO FOOD WASTE							
	Sewer Fund Total		Food Waste (%)	Digestion (\$) No Food Waste	Scale Factor	Digestion (\$) With Food Waste	Notes

	FY 2024/25		FY 2024/25		FY 2024/25	
Digestion O&M Costs Allocation	Budget					

SEWER SYS-ADMIN (4125000)

Personnel	\$2,283,777	4.7%	\$106,488	1.00	\$106,488	
Non-Personnel	\$2,688,004	4.7%	\$125,336	1.00	\$125,336	
Grants and Capital Projects	\$175,000	4.7%	\$8,160	1.00	\$8,160	
Special Programs	\$0	4.7%	\$0	1.00	\$0	Based on allocation of all other O&M costs
Charges from Others	\$2,706,071	4.7%	\$126,178	1.00	\$126,178	
Charges to Others	(\$153,800)	4.7%	(\$7,171)	1.00	(\$7,171)	

COLLECTION SYST MAINT (4125100)

Personnel	\$2,394,237	0%	\$0	1.00	\$0	
Non-Personnel	\$2,287,354	0%	\$0	1.00	\$0	
Grants and Capital Projects	\$0	0%	\$0	1.00	\$0	
Special Programs	\$2,187,599	0%	\$0	1.00	\$0	Not applicable as food waste will be delivered directly to the RWQCP
Capital Purchases	\$150,000	0%	\$0	1.00	\$0	
Charges from Others	\$496,407	0%	\$0	1.00	\$0	
Charges to Others	\$0	0%	\$0	1.00	\$0	

TREATMENT (4125200)

Personnel	\$4,069,753	10.7%	\$436,754	1.00	\$436,754	Allocation to solids based on treatment performance budget
Electric	\$2,521,440	9.0%	\$227,339	1.27	\$288,976	model
Refuse/Disposal Fees	\$4,142,795	0%	\$0	1.27	\$0	Not included, Partner will be responsible
Chemical Supplies	\$5,584,963	5.8%	\$325,139	1.27	\$413,292	
Other Non-Personnel	\$849,329	7.8%	\$65,873	1.27	\$83,733	
Grants and Capital Projects	\$0	7.8%	\$0	1.00	\$0	Allocation to solids based on treatment performance budget
Capital Purchases	\$79,008	7.8%	\$6,128	1.00	\$6,128	model
Charges from Others	\$614,075	7.8%	\$47,627	1.00	\$47,627	
Charges to Others	\$0	7.8%	\$0	1.00	\$0	

ENVIRONMENTAL COMPLIANCE (4125300)

Personnel	\$1,443,475	0%	\$0	1.00	\$0	
Non-Personnel	\$234,432	0%	\$0	1.00	\$0	
Grants and Capital Projects	\$0	0%	\$0	1.00	\$0	
Special Programs	\$202,600	0%	\$0	1.00	\$0	Not applicable as food waste will be delivered directly to the RWQCP
Capital Purchases	\$6,000	0%	\$0	1.00	\$0	
Charges from Others	\$138,743	0%	\$0	1.00	\$0	
Charges to Others	(\$168,234)	0%	\$0	1.00	\$0	

COSTS APPLICABLE TO FOOD WASTE		Sewer Fund Total	Food Waste (%)	Digestion (\$) No Food Waste	Scale Factor	Digestion (\$) With Food Waste	Notes
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Digestion O&M Costs Allocation		FY 2024/25 Budget		FY 2024/25		FY 2024/25	
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PLANT MAINTENANCE (4125400)

Personnel	\$2,093,650	3.8%	\$79,271	1.00	\$79,271	
Chemical Supplies	\$5,000	3.8%	\$189	1.00	\$189	
Non-Personnel	\$1,177,323	3.8%	\$44,577	1.00	\$44,577	
Grants and Capital Projects	\$0	3.8%	\$0	1.00	\$0	Allocation to solids based on treatment performance budget model
Capital Purchases	\$160,000	3.8%	\$6,058	1.27	\$7,700	
Charges from Others	\$302,757	3.8%	\$11,463	1.27	\$14,571	
Charges to Others	\$0	3.8%	\$0	1.00	\$0	

ELECTRICAL AND INSTRUMENTATION (4125410)

Personnel	\$1,275,039	9.0%	\$114,960	1.00	\$114,960	
Non-Personnel	\$569,483	9.0%	\$51,346	1.00	\$51,346	
Grants and Capital Projects	\$0	9.0%	\$0	1.00	\$0	Allocation to solids based on treatment performance budget model
Capital Purchases	\$283,700	9.0%	\$25,579	1.27	\$32,514	
Charges from Others	\$149,265	9.0%	\$13,458	1.27	\$17,107	
Charges to Others	\$0	9.0%	\$0	1.00	\$0	

SEWER SCADA & SPL (4125420)

Personnel	\$562,459	8.9%	\$50,161	1.00	\$50,161	
Non-Personnel	\$322,617	8.9%	\$28,771	1.00	\$28,771	
Capital Purchases	\$262,000	8.9%	\$23,366	1.00	\$23,366	Allocation to solids based on treatment performance budget model
Charges from Others	\$49,506	8.9%	\$4,415	1.00	\$4,415	
Charges to Others	\$0	8.9%	\$0	1.00	\$0	

WAREHOUSE (4125430)

Personnel	\$189,885	9.0%	\$17,038	1.00	\$17,038	
Non-Personnel	\$18,400	9.0%	\$1,651	1.00	\$1,651	
Capital Purchases	\$0	9.0%	\$0	1.00	\$0	Allocation to solids based on treatment performance budget model
Charges from Others	\$26,886	9.0%	\$2,412	1.00	\$2,412	
Charges to Others	\$0	9.0%	\$0	1.00	\$0	

COSTS APPLICABLE TO FOOD WASTE		Sewer Fund Total	Food Waste (%)	Digestion (\$) No Food Waste	Scale Factor	Digestion (\$) With Food Waste	Notes
Digestion O&M Costs Allocation		FY 2024/25 Budget		FY 2024/25		FY 2024/25	
LABORATORY SERVICES (4125500)	Personnel	\$808,188	10.7%	\$86,732	1.00	\$86,732	
	Non-Personnel	\$417,859	7.8%	\$32,409	1.00	\$32,409	Allocation to solids based on treatment performance budget model
	Capital Purchases	\$50,000	7.8%	\$3,878	1.00	\$3,878	
	Charges from Others	\$77,834	10.7%	\$8,353	1.00	\$8,353	
DEBT SERVICE (4125600)							
Administrative Costs		\$58,958	4.3%	\$2,530	1.00	\$2,530	Portion of debt service for solids/digestion projects.
SEWER CAPITAL ENGINEERING SERV (4125900)	Personnel	\$1,345,961	2.1%	\$27,880	1.00	\$27,880	
	Non-Personnel	\$132,260	2.1%	\$2,740	1.00	\$2,740	
	Charges from Others	\$74,294	2.1%	\$1,539	1.00	\$1,539	Portion of plant capital for solids/digestion based on asset value
	Charges to Others	(\$538,064)	2.1%	(\$11,145)	1.00	(\$11,145)	
	Equipment Outlay	\$50,000	2.1%	\$1,036	1.00	\$1,036	
PLANT CONST. SUPPORT (4125910)	Personnel	\$376,642	2.1%	\$7,802	1.00	\$7,802	
	Non-Personnel	\$30,427	2.1%	\$630	1.00	\$630	
	Charges from Others	\$27,417	2.1%	\$568	1.00	\$568	Portion of plant capital for solids/digestion based on asset value
	Charges to Others	(\$169,415)	2.1%	(\$3,509)	1.00	(\$3,509)	
Total O&M		\$45,123,359	4.7%	\$2,104,008		\$2,286,991	



## **EXHIBIT “G”**

Based on the findings of the Feasibility Studies, the Tenant has defined the following values, the basis for the determination of which has been reviewed with the Landlord:

1. Operating Charge: \$400,000/month
2. Capital Charge: \$340,000/month
3. Annual Escalation Rate: calculated using the same CPI methodology used in the Lease

“Net Revenue” will be equal to (i) the gross revenue of the Biogas Upgrading Facility that is earned from the sale of biomethane, biogas or any other product that is produced from biogas that is collected from the Site, including the revenue derived from any environmental or renewable energy credits; minus the sum of (ii) any fees to outside service providers associated with gas transport, marketing, brokerage, or balancing, (iii) the Operating Charge during the period, and (iv) the Capital Charge during the period. The Operating Charge shall include but is not limited to: operating costs of the Biogas Upgrading Facility; Basic Rent and Host Fees; the funding of a reasonable reserve for the repair and maintenance of the Biogas Upgrading Facility over the Term; and all administrative and overhead costs of the Tenant which are attributable to its operation of the Riverside Bioenergy Facility, including reasonable allocations of costs and resources that are shared with affiliated entities. The Capital Charge shall include capital costs incurred by Tenant in the design, construction and financing of the Biogas Upgrading Facility.