

REC Purchase & Sale Agreement

This REC Purchase & Sale Agreement (the “Agreement”) is made on the Execution Date by and between ENGIE Energy Marketing NA, Inc. (“Buyer”) and City of Rochelle (“Seller” and together with the Buyer, the “Parties”), the terms of which are as follows:

Trade Date	[_____], 2022
Trade ID	[To be inserted]
Seller	City of Rochelle
Buyer	ENGIE Energy Marketing NA, Inc.
Facilities	<p>1) That certain 4.8MW Bio-Gas Landfill-Gas-To-Energy Facility, located in Rochelle, IL</p> <p>2) That certain 313.5KW RMU Wastewater Treatment Plant Solar Array (1 and 2, collectively, the “Tier I Facilities”)</p> <p>3) That certain 25.85 KW Village of Hillcrest Solar Array (the “Solar Facility,” and together with the “Tier I Facilities,” collectively the “Facilities”)</p>
Product	<p>Renewable Energy Credits (“RECs”) qualified as:</p> <p>1) Pennsylvania Tier I Renewable Energy Credits generated by the Tier I Facilities; or</p> <p>2) Pennsylvania Tier I (Solar) Renewable Energy Credits and generated by the Solar Facility</p>
Reporting Year (“RY”)	<p>2023: June 1, 2022 – May 30, 2023</p> <p>2024: June 1, 2023 – May 30, 2024</p>
Term	<p>July 1, 2022 – May 30, 2023 (with respect to generation of RY 2023 RECs)</p> <p>June 1, 2023 – May 30, 2024 (with respect to generation of RY 2024 RECs)</p>
Contract Quantity	With respect to any Reporting Year, 100% of the actual quantity of RECs generated by the Facility with respect to such Reporting Year, subject to the standard set forth in Section 1.2.1 below
Contract Price	<p>PA Tier I generated from the Tier I Facilities: \$12.00/REC</p> <p>PA Tier I Solar generated from the Solar Facility: \$14.00/REC</p>
Delivery Date	On or before 60 days after the month of RECs generation.
Total Purchase Price	With respect to each RY, the Contract Quantity, multiplied by the Contract Price.

Article One: Obligations, Deliveries and Term

1.1 Obligations. Seller shall sell and deliver, or cause to be delivered, and Buyer shall purchase and receive, or cause to be received the Contract Quantity of the Product according to the terms of this Agreement.

1.2 Delivery. Seller shall deliver the Product to Buyer on or before the Delivery Date specified in the above table. Seller shall effectuate delivery electronically in accordance with the applicable rules and procedures governing PJM-GATS, and Buyer shall be responsible for promptly taking any necessary actions to accept or confirm delivery in accordance with such rules and procedures.

1.2.1. Unit Contingent Delivery Obligation. The actual RECs Delivered from Seller to Buyer for any portion of the Term shall be equal to the actual generation of the Facilities; provided, however, that (1) Seller must deliver at least a pro rata share of RECs to Buyer relative to the

RECs delivered to any other persons; and (2) Seller shall deliver to Buyer notification of planned and unplanned outages of any Facility as soon as reasonably practicable, and in no case less than 60 days in advance of a planned outage or more than 72 hours after the commencement of an unplanned outage. Seller shall not be liable to Buyer and Buyer shall not be liable to Seller for any damages resulting from or arising in connection with such excused Delivery.

1.3 Title. Title to, ownership in, and risk of loss to such RECs shall transfer from Seller to Buyer upon Delivery.

1.4 Term. This Agreement shall commence on the Execution Date and shall terminate on the date on which both Parties have completed the performance of their obligations hereunder, unless earlier terminated pursuant to the terms herein.

Article Two: Definitions

2.1 "Business Day" means any day except Saturday, Sunday or Federal Reserve Bank holidays.

2.2 "Execution Date" means the date that the Agreement has been signed by both Parties as shown in the space under their signatures. If the Parties sign on different dates, the latter date shall govern. If only one Party includes a date under its signature, that date shall govern.

2.3 "Interest" means the lower of (i) the prime rate of interest for US Dollars plus two percent (2%) per annum or (ii) the maximum applicable lawful interest rate.

2.4 "Market Price" means the price for RECs, on the date of a failure to make or take Delivery or the date of termination, based on the average of three price quotations for equivalent RECs from three leading brokerage firms in the RECs trading markets who are not affiliates of the Parties and are reasonably acceptable to the Parties, which quotations shall be based on the last actual trade for which each broker has price information.

2.5 "Pennsylvania Tier I RECs" means alternative energy credits produced from a facility that qualifies as a "Tier I alternative energy source" as described under the Alternative Energy Portfolio Standards Act enacted by the State of Pennsylvania and set forth in Chapter 75 of Title 52 of the Pennsylvania Statutes Annotated, §2814 of Title 66 of the State of Pennsylvania Consolidated Statutes, along with the associated rules and regulations of the Pennsylvania Public Utility Commission (each as amended from time to time).

2.6 "Pennsylvania Tier I Solar RECs" means Pennsylvania alternative energy credits produced from a facility that qualifies as a solar photovoltaic "Tier I alternative energy source" as described under the Alternative Energy Portfolio Standards Act enacted by the State of Pennsylvania and set forth in Chapter 75 of Title 52 of the Pennsylvania Statutes Annotated, §2814 of Title 66 of the State of Pennsylvania Consolidated Statutes, along with the associated rules and regulations of the Pennsylvania Public Utility Commission (each as amended from time to time).

2.7 "PJM-GATS" means the Generation Attribute Tracking System established by PJM for the production, sale, transfer, purchase, and retirement of RECs among various entities, persons and accounts, as specified in the Generation Attribute Tracking System Operating Rules established by PJM, as may be amended from time to time.

2.8 "Reporting Year" means the compliance reporting period during which the Product was generated, as specified on the first page of this Agreement.

Article Three: Remedies for Failure to Deliver/Receive

3.1 Seller Failure. If Seller fails to deliver the Contract Quantity, then Seller shall pay Buyer, within five Business Days of demand, an amount for each REC that Seller failed to deliver equal to the positive difference, if any, between (a) Market Price and (b) the Contract Price.

3.2 Buyer Failure. If Buyer fails to receive the Contract Quantity, then Buyer shall pay Seller, within five Business Days of demand, an amount for each REC that Buyer failed to receive equal to the positive difference, if any, between (a) the Contract Price and (b) the Market Price.

3.3 Suspension of Performance. If a Party fails to pay amounts when due pursuant to this Agreement, the other Party shall have the right to: (i) suspend performance under the Agreement until such amounts plus Interest have been paid, and/or (ii) exercise any remedy available at law or in equity to enforce payment of such amount plus Interest.

Article Four: Event of Default

4.1 Event of Default. An Event of Default shall mean, with respect to a Party (a “Defaulting Party”), the occurrence of any of the following: (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within two (2) Business Days after written notice; (b) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated; (c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party’s obligations to deliver or receive the Product, the exclusive remedy for which is provided in Article 3), if such failure is not remedied within two (2) Business Days after written notice; (d) such Party shall be in default, however therein defined, under any other transaction or agreement between the parties; (e) such Party files a petition or commences, authorizes, or acquiesces in the commencement of a proceeding under any bankruptcy or similar law, or has such a petition filed against it and such proceeding remains undismissed for thirty (30) days, otherwise become bankrupt or insolvent or is unable to pay its debts as they fall due; (f) the failure of such Party to satisfy the credit support requirements set forth in Section 7.9; or (g) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

4.2 Termination & Liquidation. If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the other Party (the “Non-Defaulting Party”) shall have the right to (i) accelerate all amounts owing between the Parties and to liquidate and terminate all, but not less than all, transactions between the Parties, (ii) withhold any payments due to the Defaulting Party under this Agreement and (iii) suspend performance. If the Non-Defaulting Party elects to liquidate and terminate, it shall calculate, in a commercially reasonable manner, the aggregate amount of gains, losses and costs that such Non-Defaulting Party incurs as a result such election (the “Termination Payment”). The Termination Payment shall be due to or due from the Non-Defaulting Party as appropriate. As soon as practicable after a liquidation, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The Termination Payment shall be made by the Party that owes it within two (2) Business days after receipt of notice.

4.3 Setoff. After calculation of a Termination Payment, if the Defaulting Party would be owed the Termination Payment, the Non-Defaulting Party shall be entitled, at its option and in its discretion, to set off against such Termination Payment any amounts due and owing by the Defaulting Party to the Non-Defaulting Party under any other agreements, instruments or undertakings between the Defaulting Party and the Non-Defaulting Party. The remedy provided for in this Section shall be without prejudice and in addition to any right of setoff, combination of accounts, lien or other right to which any Party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

Article Five: Representations and Warranties

5.1 Seller represents and warrants that it has the right to convey and will transfer good and merchantable title to the Product, free and clear of all liens, encumbrances, and claims.

5.2 Seller represents and warrants that the Product arises from renewable energy that was generated during the Reporting Year

5.3 Seller represents and warrants that the Product has not been previously used to satisfy a state’s renewable energy requirements or any voluntary clean electricity market or program.

Article Six: Payment

6.1 Payment. Seller shall provide an invoice to Buyer for the Product upon Delivery. Buyer shall pay Seller's invoice by wire transfer to the applicable account shown below, in immediately available funds within three (3) Business Days after receipt of invoice.

6.2 Payment Netting. If payments are due by a Party to the other on the same date pursuant to this agreement for the purchase and sale of RECs, then the amounts owing shall be offset so that only the net amount owing on that date shall be paid by the Party owing the larger amount to the other.

6.3 Interest on Overdue Payments. Overdue payments shall also be charged Interest, compounded daily, from the date the payment was due until paid.

6.4 Invoice Disputes. A Party may, in good faith, dispute the correctness of any invoice within twelve (12) months of the date of the invoice. In the event of a dispute, Buyer shall pay the undisputed portion when due and shall state in writing the basis for the dispute. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution together with Interest from the date that the invoice was first due.

6.5 Notices, Bank Account Information. All notices and payments shall be made to the address and bank account specified below. Notices shall be effective when received.

<p>ENGIE Energy Marketing NA, Inc. 1360 Post Oak Blvd, Suite 400 Houston, TX 77056</p> <p>Attn: Contract Administration Phone: 713-636-1105 Email: EEMNANotices@engie.com</p> <p>Invoices: engiena-tradesettlements@engie.com</p> <p>Wire Transfer Instructions: Bank: [To be inserted] ABA: [To be inserted] ACCT: [To be inserted]</p>	<p>City of Rochelle 420 N. 6th Street Rochelle, IL 61068</p> <p>Attn: Sarah Brooks, Utility Finance Director Phone: (815) 561-2053 Email: sbrooks@rochelleil.us</p> <p>Wire Transfer Instructions: Bank: [To be inserted] ABA: [To be inserted] ACCT: [To be inserted]</p>
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Article Seven: Other Provisions

7.1 Taxes. Seller shall be responsible for any taxes, costs or charges imposed on or associated with the Product prior to the Delivery of the Product to Buyer. Buyer shall be responsible for any taxes, costs or charges imposed on or associated with the Product at and after Delivery of the Product.

7.2 Limitation of Liability. THE REMEDIES SET FORTH IN ARTICLES THREE AND FOUR SHALL BE THE SOLE AND EXCLUSIVE REMEDIES OF THE RESPECTIVE PARTIES IN THE EVENT OF A DEFAULT, AND A PARTY'S LIABILITY SHALL BE LIMITED AS SET FORTH IN THIS SECTION. ALL OTHER REMEDIES OR DAMAGES AT LAW ARE HEREBY WAIVED. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR OTHER SPECIAL DAMAGES RELATING TO THE PERFORMANCE OR NONPERFORMANCE OF THE AGREEMENT.

7.3 Assignment. This Agreement shall not be assigned without the prior written consent of the other Party.

7.4 Severability. If any provision in this Agreement is determined to be invalid, void or unenforceable by any court or regulatory agency having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this Agreement.

7.5 Confidentiality. During the Term of this Agreement and for two years thereafter, each Party agrees to keep the terms of this Agreement confidential, not to disclose such information to any third party without the prior written consent of the other Party and to use reasonable care to maintain the confidentiality of such information. Notwithstanding the foregoing, a Party may disclose such information without consent to (i) its agents, independent auditors and counsel (ii) governmental authorities who demand such information

pursuant to court order; provided that the disclosing Party first notifies the other Party, to the extent practicable, before making the disclosure.

7.6 Reporting; Audit Rights. On or before each Delivery Date, Seller shall deliver evidence of the actual energy volume generated by each Facility with respect to the relevant Reporting Period, with detail reasonably satisfactory to Buyer. Upon request of Buyer, Seller shall promptly provide to Buyer or its designee all information reasonably requested to validate compliance by Seller of its obligations hereunder, including but not limited to (i) real-time data exchanged with PJM, (ii) settlements data residing in the PJM sub-account dedicated to the Facilities, (iii) availability information and (iv) outage information. Seller shall not be required to deliver information unrelated to the Facilities.

7.7 Entire Agreement; Amendments. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous agreements, communications, or understandings (whether written or oral). No modification, amendment, or waiver of any of the provisions of this Agreement shall be effective unless in writing and signed by the Parties.

7.8 Governing Law; Exclusive Venue; Jury Trial Waiver. This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois, excluding any choice of law or conflicts of law rules or principles that would result in application of the laws of a different jurisdiction. With respect to any suit, action or proceedings relating to any dispute arising out of or in connection with Agreement ("Proceedings"), each Party irrevocably (i) submits to the exclusive jurisdiction of the courts of the State of Illinois and the United States District Court for the Northern District of Illinois; and (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such Party. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING RELATING TO THIS AGREEMENT.

7.9 Credit. If either Party ("Party A") has reasonable grounds to believe that the other Party's ("Party B") creditworthiness or performance under this Agreement has become unsatisfactory, Party A may provide Party B with written notice requesting Performance Assurance in an amount determined by Party A in a commercially reasonable manner. Upon receipt of such notice, Party B shall have three (3) Business Days to provide such Performance Assurance to Party A. In the event that Party B fails to provide such Performance Assurance to Party A within three (3) Business Days of receipt of notice, then an Event of Default under Article 4 will be deemed to have occurred and Party A will be entitled to the remedies set forth therein. "Performance Assurance" means collateral in the form of either (i) cash, or (ii) a Letter(s) of Credit, or (iii) other security acceptable to the Party requesting such Performance Assurance. "Letter(s) of Credit" means one or more irrevocable, non-transferable standby letters of credit issued by a U.S. commercial bank or a U.S. branch of a foreign bank (which is not an affiliate of either Party) with such bank having a credit rating of at least A from S&P Global Ratings, a division of S&P Global Inc. ("S&P") and A2 from Moody's Investor Services, Inc. ("Moody's"), and otherwise being in a form acceptable to the Party in whose favor the letter of credit is issued. Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit.

7.10 No Immunity Claim. Seller warrants and covenants that with respect to its contractual obligations hereunder and performance thereof, it will not claim immunity on the grounds of sovereignty or similar grounds with respect to itself or its revenues or assets from (a) suit, (b) jurisdiction of court (including a court located outside the jurisdiction of its organization), (c) relief by way of injunction, order for specific performance or recovery of property, (d) attachment of assets, or (e) execution or enforcement of any judgment.

7.11 Limitation of Obligation to Pay. With respect to this Agreement and each Transaction, upon execution of this Agreement and prior to the start of each subsequent fiscal year, Seller shall have obtained all necessary budgetary approvals and certifications for payment of all of its obligations under this Agreement for such fiscal year. Further, the obligation of Seller to make payments hereunder shall not constitute a general obligation of Seller and shall not constitute indebtedness of Seller for the purpose of any statutory limitation, and Seller shall not be required to make such payments from any source other than the revenues and funds derived from its utility system.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date below.

ENGIE Energy Marketing NA, Inc.

City of Rochelle

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____