

CARBON DEVELOPMENT AND MARKETING AGREEMENT

This Carbon Development and Marketing Agreement (“Agreement”) is effective this [redacted] day of [redacted], 2022 (the “Effective Date”), by and between ANEW CARBON DEVELOPMENT LLC, a Utah limited liability company (“Anew”) and the **BETHLEHEM AUTHORITY** (“Landowner”).

RECITALS

- A. Landowner owns or manages forested property located in Pennsylvania and is interested in continuing to developing voluntary improved forest management, or other forestry-related projects on such lands which may would result in the creation of certain Emission Reduction Benefits, or ERBs, as defined herein; and
- B. Landowner desires, to the extent possible, to monetize or to otherwise realize benefits from its voluntary activities; and
- C. Anew is in the business of identifying, creating, acquiring, and marketing ERBs, and then aggregating such ERBs into a portfolio to enhance the marketability and value of the ERBs; and
- D. Landowner wishes to sell to third parties, through Anew as its exclusive marketer, and Anew wishes to market the ERBs in accordance with the terms of this Agreement.

AGREEMENT

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

ARTICLE 1

PURPOSE OF AGREEMENT

The Parties anticipate that Landowner has and will engage in the Project(s) identified on Exhibit “C” (which may be amended from time to time by mutual written agreement of the Parties) during the Term and in accordance with all Applicable Requirements, providing the basis for ERBs. Landowner agrees to sell, transfer, and otherwise convey to Anew (or, at the direction of Anew, to a third party purchaser) the ERBs generated from the Project pursuant to the terms of this Agreement.

ARTICLE 2

DEFINITIONS; TERMS AND CONDITIONS

Section 2.1 Capitalized terms not otherwise defined in this Agreement have the respective meanings assigned to them in Exhibit “A~~2~~,” which is attached hereto and is expressly incorporated herein by reference.

Section 2.2 All of the General Terms and Conditions set forth in Exhibit “B” are hereby incorporated herein and expressly made a part of this Agreement.

ARTICLE 3

SERVICES PROVIDED BY ANEW

Anew will conduct the following activities with respect to any and all Projects, any of which may occur at various times throughout the Term:

Section 3.1 Project Development. Anew will prepare or engage third parties to prepare such Documentation as it, in its discretion, deems necessary to document the creation of marketable ERBs from the Project.

Section 3.2 Inventory. Concurrent with the inventory update as required in 2023, the Parties shall meet and confer no later than thirty (30) days prior to the commencement of the inventory process to confirm the accuracy of Project boundaries depicted in Exhibit C.

Section 3.3 Verification. Anew will engage a Verifier to Verify the creation of marketable ERBs from the Project.

Section 3.4 Registration. Anew will make commercially reasonable efforts to Register the ERBs with VERRA.

Section 3.5 Marketing and Monetization. Anew will make commercially reasonable efforts to market and monetize ERBs arising out of all Projects.

Section 3.6 Expenses. Anew shall pay for Expenses at the time they are incurred but shall be reimbursed for such Expenses in accordance with this Agreement.

ARTICLE 4

LANDOWNER' S DUTIES AND OBLIGATIONS

Section 4.1 Landowner shall promptly take all actions reasonably requested by Anew to Register Project ERBs with VERRA.

Section 4.2 Landowner shall provide reasonable access to the Subject Properties and documents related to the Project, the Subject Properties, and related ERBs for Anew to provide its Services.

Section 4.3 Landowner shall work exclusively with Anew to develop ERBs from the Project during the ~~Development Period~~Term. After the end of the Development Period, Landowner may engage other project developers ~~for the sale of ERBs after the Term~~. Anew, however, shall have the exclusive right to market any remaining ERBs generated during the Development Period until the end of the Term.

Section 4.4 Landowner shall notify Anew promptly upon the discovery of an occurrence that would materially affect Landowner's representations, warranties or covenants set forth in Article 7.

ARTICLE 5

TITLE; EXCLUSIVE MARKETING RIGHTS

Section 5.1 Landowner hereby grants to Anew all title to, and the exclusive right to market, throughout the Term, all ERBs created from the Project as a result of actions taken during the Development Period, including but not limited to those ERBs that are created after the Development Period as a result of actions taken during the Development Period. The transfer to Anew of all title to ERBs under this Section 5.1 shall be automatic and immediate at the time that any such ERB is Registered.

Section 5.2 Anew shall carry out Verification activities for all Reporting Periods for which Verification is required by the VERRA registry or deemed financially justifiable by Anew.

ARTICLE 6

PRICE AND PAYMENT TERMS

Section 6.1 With respect to ERBs issued and Sold pursuant to a Third Party Sale Agreement(s), Anew shall pay Landowner 75.8 % of Net Proceeds, and shall retain 24.2% of Net Proceeds.

Section 6.2 Prior to any distribution of Net Proceeds, Anew shall deduct from applicable Proceeds an amount sufficient to reimburse Anew for all Expenses incurred by Anew relating to the Project(s).

Section 6.3 Anew shall pay Landowner's Share of Net Proceeds within thirty (30) days of Anew's receipt of Proceeds from Anew's sale of each ERB.

ARTICLE 7

LANDOWNER'S WARRANTIES, REPRESENTATIONS AND COVENANTS

As of the Effective Date and through the end of the Term, Landowner represents, warrants, and covenants that:

Section 7.1 It is a municipal authority duly organized, validly existing and in good standing, under the law of the Commonwealth of Pennsylvania, with full power and authority to make, execute, deliver, and perform this Agreement and the transactions contemplated hereby;

Section 7.2 The execution, delivery, and performance of this Agreement have been duly authorized by all necessary actions on the part of Landowner and this Agreement constitutes a valid obligation of Landowner enforceable against it in accordance with its terms;

Section 7.3 It has good and marketable title to the Subject Property(ies) and to all ERBs arising out of all Projects, and such ERBs are free and clear of all encumbrances of any kind;

Section 7.4 All ERBs transferred to Anew are and shall be based on voluntary activities;

Section 7.5 Data provided to Anew or its authorized representatives is and shall be true, accurate, and complete;

Section 7.6 Landowner shall not conduct any activities that will result in a Material Reduction of ERBs;

Section 7.7 ERBs Sold by or available for sale to Anew pursuant to this Agreement shall not be used by Landowner for any purpose, and Landowner shall not sell, transfer, or make available such ERBs to any other person or entity for any purpose;

Section 7.8 Landowner will provide in a timely manner all available and relevant information within Landowner's control necessary to allow Anew to perform its services;

Section 7.9 Landowner is in compliance with and shall comply with any easement that encumbers the Subject Properties;

Section 7.10 Throughout the Development Period, the Subject Properties and the Project(s) have been, are, and shall continue to be in compliance with all Applicable Requirements and Applicable Laws; and

Section 7.11 If Landowner transfers ownership of any or all of the Subject Properties, Landowner shall ensure that in conjunction with any such transfer: (i) Landowner's transferee shall assume all of Landowner's obligations under the Applicable Requirements; (ii) Landowner's transferee shall assume all of Landowner's obligations toward Anew or otherwise, which are created pursuant to this Agreement; (iii) Anew shall retain all rights afforded to Anew pursuant to this Agreement including, but not limited to, all rights to collect and market all ERBs through the end of the Term that are generated by the Project throughout the Development Period; and (iv) Landowner shall provide Anew with reasonable notice of any such transfer at least thirty (30) days prior to the closing of any sale or transfer of the Subject Property.

ARTICLE 8

ANEW'S REPRESENTATIONS, WARRANTIES AND COVENANTS

Anew represents, warrants, and covenants that:

Section 8.1 It is a limited liability company duly organized, validly existing and in good standing under the laws of the state of Utah, with full power and authority to make, execute, deliver, and perform this Agreement and the transactions contemplated hereby;

Section 8.2 The execution, delivery, and performance of this Agreement have been duly authorized by all necessary actions on the part of Anew and this Agreement constitutes a valid obligation of Anew enforceable against it in accordance with its terms; and

Section 8.3 Anew will use diligent, good-faith, commercially reasonable efforts to market and sell the ERBs subject to this Agreement through the end of the Term which may include the pre-selling of certain ERBs.

ARTICLE 9

FURTHER ASSURANCES

Upon Anew's reasonable request, Landowner shall execute such documents and take such further actions from time to time as may be necessary to Verify, Register, or market and sell ERBs. Landowner shall also provide such assurances in connection with related ERBs that may be requested or required by governmental or regulatory action during the Term of this Agreement.

ARTICLE 10

ACCESS TO INFORMATION; MAINTENANCE OF RECORDS; FURTHER ACTION

Section 10.1 Due Diligence. Upon reasonable notice, Landowner shall provide Anew, its representatives, and third parties reasonably identified by Anew (such as Verifiers or potential purchasers of ERBs created pursuant to this Agreement) with access to the Project, to the Subject Properties, and to all ERB-related documents, records, reports, and data reasonably necessary to Document, Verify, or sell, as the case may be, the quantity, quality, validity, or acceptability of the ERBs or the Project.

Section 10.2 Landowner's Records Regarding Project Performance. Landowner shall maintain records reasonably necessary to establish the validity of the ERBs sold pursuant to this Agreement, including but not limited to records regarding thinning and harvesting on the Subject Properties, title to the Subject Properties, and any deeds applicable to the Subject Properties. Landowner shall make such records available for inspection upon reasonable advance notice from Anew, its agents, and Anew's successors or assignees at reasonable times and places. Landowner shall also make such records available to VERRA or any other governmental or regulatory body with competent jurisdiction over the ERBs being sold. Such records shall be maintained for (i) ten (10) years after the date of Registration of the ERBs or (ii) such other period as may be required by VERRA or a Third Party Sale Agreement (provided Anew gives written notice to Landowner of such requirement), whichever is longer.

Section 10.3 Anew's Records Regarding Transactions. Anew shall keep and maintain records of all sales terms, deal valuations, and documentation necessary for Anew to complete the sale and transfer of ERBs transferred to Anew by Landowner and by Anew to any third party. These records shall be kept for (i) ten (10) years after the date of Registration of the ERBs or (ii) such other period as may be required by VERRA or a Third Party Sale Agreement, whichever is longer and shall be made available to Landowner for inspection during regular business hours upon reasonable advance notice.

ARTICLE 11

LIMITATION OF LIABILITY

Section 11.1 Landowner's liability to Anew hereunder shall not exceed the sum of (i) Landowner's Share of the Net Proceeds received for the ERBs giving rise to the claim (or if there is a claim made with respect to the failure to deliver such ERBs, the Contract Price for such ERBs); (ii) interest equal to eight percent (8%) per annum prorated between dates of payment and repayment hereunder; and (iii) all Expenses incurred by Anew pursuant to this Agreement, except for the following circumstances in which case the limitations set forth in this Section 11.1 shall not apply (a) as provided under Section 14.3 or (b) in cases of Landowner's gross negligence or willful misconduct.

Section 11.2 Anew's liability to Landowner hereunder shall not exceed the sum of (i) Anew's Share of the Net Proceeds received for the ERBs giving rise to the claim or any claim related to the failure to make a payment for such ERBs), and (ii) interest equal to eight percent (8%) per annum prorated between dates of payment and repayment hereunder, except for the following circumstances, in which case the limitations set forth in this Section 11.2 shall not apply in cases of Anew's willful misconduct or gross negligence.

Section 11.3 Neither Party shall be liable to the other for any special, indirect, punitive, or consequential damages. The Parties agree that any remedies set forth in Article 14 represent the Parties' good-faith and reasonable efforts to calculate damages to compensate for losses that are otherwise difficult or impossible to quantify, and do not represent special, consequential, punitive, or indirect damages. The limitation of liability in this Article 11 shall survive cancellation, termination, or expiration of this Agreement.

Section 11.4 Anew shall have no liability as a result of, or in relation to, the acts or omissions of Landowner in connection with the operation of the Project, including with respect to compliance with current or future environmental laws.

ARTICLE 12

INDEMNITY

Section 12.1 **By Landowner.** Subject to Article 11 and Article 14 **and the protection provided by the Pennsylvania Political Subdivisions Torts Claim Act**, Landowner shall indemnify and hold Anew harmless from any claims or demands and any actions, suits, orders, or any other form of legal proceeding brought by a third party, including any government authority or regulator, relating to: (i) any willful misconduct or untruthful representation made by Landowner in connection with the Documentation, Registration, Verification, or sale of ERBs subject to this Agreement; (ii) the operation of the Project or Subject Properties; or (iii) any material breach of Landowner's obligations, representations, warranties, or covenants set forth in this Agreement.

Section 12.2 **By Anew.** Subject to Article 11 and Article 14, Anew shall indemnify and hold Landowner harmless from any claims or demands and any actions, suits, orders, or any other form of legal proceeding brought by a third party, including any government authority or regulator, relating to a (i) any willful misconduct by Anew in connection with the Documentation, Registration, Verification, or sale of ERBs subject to this Agreement; or (ii) any material breach of Anew's obligations, representations, warranties, or covenants under this Agreement.

ARTICLE 13

RESERVATIONS REGARDING PROJECT DEVELOPMENT

Section 13.1 LANDOWNER MAKES NO REPRESENTATION OR WARRANTY AS TO THE NUMBER OF ERBS WHICH MAY BE GENERATED AS A RESULT OF ANY PROJECT; AND

Section 13.2 ANEW MAKES NO REPRESENTATION OR WARRANTY AS TO THE CREATION OF ERBS AT THE PROJECT, THE MARKETABILITY OF THE SAME, OR THE VALUE TO BE REALIZED AS A RESULT OF ANEW'S SALE OF SUCH ERBS.

ARTICLE 14

TERM; TERMINATION; REMEDIES

Section 14.1 Term. This Agreement shall remain effective through the end of the Term, subject to earlier termination pursuant to this Article 14.

Section 14.2 Termination Upon Breach. If either Party fails to perform any obligation in this Agreement or breaches any representation or warranty during the Term of this Agreement, the non-breaching Party shall notify the other Party in writing of the breach and provide the breaching Party with a 30-day period to cure such breach. If, following such cure period, the breach remains uncured, the non-breaching Party shall have the right to terminate this Agreement, either with respect to the Project to which the breach occurred or in its entirety, as the case may be, pursuant to this Article 14.

Section 14.3 Remedies for Landowner's Breach. If Anew terminates this Agreement due to breach of this Agreement by Landowner:

(a) Within thirty (30) days of termination, Landowner shall pay Anew for all Expenses that Anew has incurred related to such Project prior to termination and for which Anew has not been reimbursed from the Proceeds of a sale of ERBs from the Project prior to termination.

(b) Within thirty (30) days of Anew's termination, Landowner shall transfer to Anew any ERBs that have been Registered for the Project prior to termination and which are the subject of a pending Third Party Sale Agreement prior to termination. Anew shall pay Landowner's Share of Net Proceeds arising from these ERBs only after Anew has been fully compensated in accordance with this Section 14.3.

(c) For any ERBs for such Project which are: (i) the subject of a Third Party Sale Agreement in effect at the time of termination; and, (ii) which are not delivered pursuant to Section 14.3(b), Landowner shall pay Anew damages as follows:

(i) If (x) the Third Party Sale Agreements permit replacement of such ERBs and (y) such ERBs, in Anew's discretion, can be replaced with other similar ERBs, Landowner shall, at Anew's election, either procure for Anew such replacement ERBs as directed by Anew or reimburse Anew for all costs incurred by Anew in procuring such replacement ERBs; or

(ii) Except as limited by Section 11.1 and Section 11.3, if the Third Party Sale Agreements do not allow for replacement of such ERBs or the ERBs cannot be replaced with other similar ERBs, Landowner shall pay Anew compensatory damages in an amount sufficient to compensate Anew for all losses suffered by Anew as a result of the breach, taking into account the number of ERBs likely to have been created in the absence of the breach, the terms of the relevant Third Party Sale Agreement and, if applicable, other relevant ERB transactions, and other relevant factors.

(d) Within thirty (30) days of termination, if Landowner breaches its obligations under Section 7.6, Section 7.7, or Section 7.10, in any Reporting Period, Landowner shall pay Anew the ERB Shortfall Payment.

(e) Landowner shall not create or transfer to anyone other than Anew any ERBs generated by the Project, whether in the form of rights or benefits related to emission reductions of Greenhouse Gases, until Landowner has satisfied all of the conditions of this Section 14.3.

(f) Anew shall continue to act in accordance with this Agreement with respect to any ERBs from other Projects not terminated, if any.

Section 14.4 Termination for Anew's Breach. If Landowner terminates this Agreement with respect to a Project pursuant to this Article 14, Anew shall cease all services for Landowner and transfer all ERBs arising from the Project to the Landowner, except with respect to ERBs from the Project which are the subject of a Third Party Sale Agreement. At the time of termination:

(a) If Landowner so requests, Anew shall continue to act in accordance with this Agreement with respect to any ERBs from the Project Sold or committed to be Sold, and Anew shall pay Landowner's percentage of any Net Proceeds for any such ERBs in accordance with this Agreement following Anew's receipt of Proceeds from such ERBs and shall transfer all other ERBs arising from the Project to Landowner; or

(b) If the third party to a Third Party Sale Agreement approves, Landowner shall agree to accept assignment of the Third Party Sale Agreement from Anew to Landowner and Anew shall cease all services for Landowner with respect to such Project and/or ERBs and Anew shall transfer all of the ERBs arising from the Project to Landowner.

(c) Anew shall transfer any and all ERBs from the Project that are not subject to Section 14.4(a) or Section 14.4(b) back to Landowner.

(d) Anew shall continue to act in accordance with this Agreement with respect to any ERBs from other Projects.

Section 14.5 Termination Due to Economic Unfeasibility. If Anew, in its sole discretion, determines at any time that any Project is economically unfeasible, Anew may terminate this Agreement with respect to such Project upon ninety (90) days written notice to Landowner. Landowner shall have no liability for, and Anew shall be responsible for, all Expenses incurred by Anew related to such Project, and neither Party shall have any further obligation to proceed under this Agreement with respect to such Project. Anew shall transfer to Landowner all ERBs arising from the Project that have not otherwise been Sold or transferred to another third party.

Section 14.6 Termination Due to Insolvency. This Agreement may be terminated immediately upon notice by one Party to the other Party if:

(a) a receiver or trustee in bankruptcy has been appointed to take charge of all or any substantial part of the other Party's business or property, unless the receivership order or the appointment of the trustee in bankruptcy is vacated within thirty (30) days;

(b) the other Party has become an insolvent person or committed an act of bankruptcy as defined under the bankruptcy laws of the United States;

(c) a petition has been filed or any other action has been taken with respect to the other Party under any provision of the bankruptcy laws of the United States; or

(d) any application or petition or certificate or order has been made or granted for the winding up or dissolution of the other Party, voluntarily or otherwise.

ARTICLE 15

DISPUTE RESOLUTION

Section 15.1 The Parties agree that any dispute between the Parties relating to this Agreement will be submitted to a **three (3) person panel of two Board members and the Executive Director of each Party**. Either Party may initiate this proceeding by providing notice to the other Party. Within five (5) days from the date of receipt of the notice, the Parties' executives shall confer (via telephone or in person) in an effort to resolve such dispute. The decision mutually arrived at by all four executives will be final and binding on the Parties.

Section 15.2 Remedies not Limited. If the Parties are unable to resolve any dispute through the executive panel discussion ~~or the mediation procedures as set forth above within 45 days of the dispute being submitted to the mediator~~, nothing in this Agreement shall be construed so as to require or preclude any specific dispute resolution procedure, including litigation. ~~Any litigation instituted with respect to this Agreement shall be interpreted under the laws of the Commonwealth of Pennsylvania and the jurisdiction shall be the Court of Common Pleas of Northampton County, Pennsylvania.~~

ARTICLE 16

CONFIDENTIAL INFORMATION

Section 16.1 Any and all information and knowledge relating to the Project or ERBs subject to this Agreement and any and all information emanating from the other Party's business in any form that a Party may acquire pursuant to this Agreement (collectively, "**Confidential Information**"), shall be considered confidential and, except as permitted in this Agreement, shall not be used, revealed or divulged to any other person, or published in any manner whatsoever, through the end of the Term and for two years after the end of the Term, without first obtaining the written consent of the other Party.

Section 16.2 Notwithstanding the provisions above, a Party may reveal or divulge Confidential Information:

(a) that is already in the public domain when disclosed to a Party or becomes, after having been disclosed to a Party, generally available to the public through publication or otherwise unless the publication or other disclosure was made directly or indirectly by a Party in breach of this Agreement;

(b) to its parent(s), Affiliates, and to its and their officers, directors, employees, agents or other representatives on a need-to-know basis provided such persons have agreed to maintain such Confidential Information in confidence;

(c) as required by Applicable Laws, the orders or directions of tribunals having jurisdiction or stock exchange or clearing house requirements, provided that where circumstances permit, and where such disclosure is not made in the ordinary course to such persons, prior to any disclosure, the other Party shall be notified of any such proposed divulgence and the divulging Party shall at the other Party's request and expense, take reasonable steps to allow the other Party to contest the requirement for disclosure or to obtain an order or ruling to preserve the confidentiality of such Confidential Information;

(d) to the extent reasonably necessary to sell, resell, use, retire or otherwise obtain the value or benefit from the ERBs subject to this Agreement; or

(e) as necessary in connection with any dispute resolution commenced pursuant to this Agreement or any litigation commenced in respect of this Agreement.

ARTICLE 17

NOTICE

Section 17.1 Any notice or other communication which any Party is required or wishes to make to any other Party pursuant to this Agreement will be effective and valid only if in writing and delivered personally, by facsimile transmission or by email to the other Party at the address, fax number or email address set out below or at such other address, fax number or email address as such Party may from time to time designate by notice delivered in accordance with this Section 17.1.

To Landowner: Bethlehem Authority, City Hall, 10 East Church Street, Bethlehem, Pennsylvania 18018, Attn: Steve Repasch, Executive Director

Anew Carbon Development, LLC, Attn: Contract Administrator, 2825 E. Cottonwood Parkway, Suite 400

Cottonwood Heights, UT 84121, USA. Phone (801) 322-4750. Fax (801) 363-3248. E-mail legal@anewclimate.com.

Section 17.2 Any notice delivered in accordance with the foregoing will be deemed to have been received by the addressee on the date it is sent if delivered personally, by facsimile transmission or by email within normal business hours or at the beginning of the next business day if it is sent outside normal business hours (and provided that in the case of a notice sent by facsimile transmission the Party sending the notice has received a confirmation of transmission indicating that the entire facsimile transmission has been sent).

ARTICLE 18

PROVISIONS SURVIVING EXPIRATION AND TERMINATION

Notwithstanding the termination or expiration of this Agreement, the General Terms and Conditions set forth in Exhibit B and the provisions of Article 10, Article 11, Article 12, Article 13, Article 14, and any provisions necessary to enforce such provisions shall survive for a period of eight years following the last Registration of any ERBs arising from the Project during the Development Period.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the Parties hereto have duly executed and delivered this Agreement on the date first written above.

ANEW CARBON DEVELOPMENT, LLC

LANDOWNER
BETHLEHEM AUTHORITY

By:
Its:

By:
Its:

Exhibit A
DEFINITIONS

- a. **“Affiliate”** means, in relation to any Person, any entity controlled, directly or indirectly, by the Person, any entity that controls, directly or indirectly, the Person or any entity directly or indirectly under common control with the Person; provided that with respect to Anew, “Affiliate” shall mean Anew Climate, LLC and the entities directly or indirectly controlled by Anew Climate, LLC. For this purpose, “control” the possession, directly or indirectly, of the power to direct or cause the direction of the management, policies or activities of an entity, whether through ownership of voting securities, contract or otherwise.
- b. **“Applicable Laws”** means, collectively, any statute, ordinance, judicial decision, executive order, or a regulation or regulatory order or protocol having the force and effect of law that is applicable to the Subject Properties and/or the Project.
- c. **“Applicable Requirements”** means, collectively, the requirements of Verification and Registration under VERRA; requirements applicable to Landowner under the VCS Standard and/or the Methodology for Improved Forest Management through Extension of Rotation Age; and all securities laws, if any, and other legal requirements applicable to the offering of ERBs, if any.
- d. **“Anew’s Share of Net Proceeds”** means the applicable percentage of Net Proceeds for Anew set forth in Article 6.
- e. **“Confidential Information”** shall have the meaning given under ~~Section 16.1~~ [Article 16](#).
- f. **“Contract Price”** means the price per ERB set out in a Third Party Sale Agreement.
- g. **“Development Period”** means the period of time during which the Parties will attempt to Verify and Register ERBs from a Project. The Development Period begins on the 1/01/2023 and ends on 12/31/2032, unless otherwise agreed to by the Parties.
- h. **“Document,” “Documenting,” and “Documentation”** means, as appropriate in the context in which such terms are used, either (i) the preparation of all documents pertaining to reductions or avoidance of GHG emissions associated with the Project as are required in order to obtain Verification or Registration of such emission reductions and Registration of the ERBs pertaining thereto, or (ii) all documents prepared for such purposes.
- i. **“Emission Reduction Benefit” or “ERB”** means all benefits and all associated rights, title, and interest, without limitation, in or arising out of the environmental and financial benefits associated with the avoidance, reduction, or removal of Greenhouse Gas emissions, whether such right, benefit, title, or interest is in existence as of the date of this Agreement or arises thereafter, including, without limitation, any emission reduction credits, verified emission reductions, voluntary emission reductions, offsets, allowances, voluntary carbon units, avoided compliance costs, emission rights and authorizations, including any Reporting Rights.
- j. **“ERB Regime”** means, other than VERRA, any ERB registry, trading system, or reporting or reduction program for ERBs that is established, certified, maintained, or recognized by any international,

governmental (including United Nations, United States, state, or local legislative, administrative, judicial, or other body), or non-governmental agency from time to time.

k. **“ERB Shortfall”** means, for the purposes of calculating the ERB Shortfall Payment, the positive difference between the ERBs actually able to be generated and the total ERBs that would have been generated by the Project, in the absence of the breach, in the Reporting Period in which the breach took place.

l. **“ERB Shortfall Payment”** means the amount obtained by application of the formula:

$$[A * B * C]$$

Where A = the ERB Shortfall, B = the Market Value of the ERBs, and C = 20%.

m. **“Expenses”** means all costs payable to any third party as a consequence of Anew’s pursuit of, entering into, or performance of its obligations related to this Agreement and shall include, but not be limited to, the following: (1) costs related to Documenting, Verifying, or Registering ERBs; (2) transaction or transfer fees; (3) acquisition of buffer pool credits, if necessary and if acquired by Anew, and (4) any other third party costs or expenses that are actually incurred by Anew in performing its obligations under this Agreement **and approved by the Authority**.

n. **“Greenhouse Gas”** or **“GHG”** means carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride, or any other substance or combination of substances that may become regulated or designated as GHGs under (i) any federal, state or local law or regulation, (ii) VERRA, or (iii) any ERB Regime, in each case measured in increments of one metric tonne of carbon dioxide equivalent.

o. **“JAMS”** means JAMS, Inc. or its successor entity, a judicial arbitration and mediation service.

p. **“Landowner’s Share of Net Proceeds”** means the applicable percentage of Net Proceeds for the Landowner set forth in Article 6.

q. **“Market Value”** means the value of the ERBs from a Project as calculated using the arithmetic average of two broker quotes obtained by Anew, from reputable brokers acceptable to Anew, acting reasonably, and who have expertise and experience in emission markets in North America.

r. **“Material Reduction”** means any reduction in ERBs, as determined by Anew, arising from voluntary activities by Landowner that result in harvest levels (quantified in cords, MBF, etc.) exceeding the projected harvests on the Project area provided to Anew by Landowner prior to the initial Project Verification by 10% or more. Anew will confirm these harvest levels with Landowner, in writing, prior to commencement of initial Project Verification, and the Parties may mutually agree to revise or

amend the projected harvest levels at any time thereafter, provided that any such revision or amendment must be in writing and signed by both Parties.

- s. **“Net Proceeds”** means the Proceeds less Expenses.
- t. **“Parties”** means Anew and Landowner collectively and their respective successors and assigns, and **“Party”** means either of them and its successors and assigns.
- u. **“Person”** means an individual, partnership, corporation, trust, joint venture, other business entity, union, or any federal, provincial, or local governmental entity, department, or agency.
- v. **“Proceeds”** shall be the total cash amount received by Anew from a third party pursuant to a Third Party Sale Agreement as payment for Anew’s sale of ERBs obtained from Landowner pursuant to this Agreement.
- w. **“Project”** means individually each Project identified on *Exhibit “C”* (which the Parties may amend from time to time by mutual agreement in writing) and all of Landowner’s efforts to create ERBs from improved forestry management or avoided conversion activities on the associated Subject Property.
- x. **“Registration,” “Register(ed),” or “Registering”** means the obtaining of any and all necessary recognition, registration, credit, approval, and/or (to the extent obtainable) certification of the Project’s ERBs as ERBs under VERRA, and includes any required payment of fees for the delisting, retirement, or transfer of ERBs.
- y. **“Reporting Period”** means each twelve-month period during the Development Period, in which Anew will review and report to VERRA any ERBs estimated to be Registered for any such period.
- z. **“Reporting Rights”** means the exclusive right to claim and/or report the benefits of any ERB to any governmental or private entity, including the exclusive rights to claim and/or report the benefits of any form of acknowledgement or certification related to the ERBs arising from a Project by any government agency or other entity, whether arising under local, state, national, or international laws or regulations relating to climate change or otherwise.
- aa. **“Sold”** means transferred to a third party by Anew pursuant to a Third Party Sale Agreement and from which Proceeds are actually received by Anew from such third party.
- bb. **“Subject Property(ies)”** means the property identified on *Exhibit “C”* for each Project, attached hereto and incorporated herein which the Parties may amend from time to time by mutual agreement in writing.
- cc. **“Term”** commences on the Effective Date and continues through the earlier of (i) the date all ERBs subject to the Agreement are Sold and Net Proceeds distributed in accordance with this Agreement or (ii) 6/31/2034. For clarity, the potential 18-month period between the end of the Development Period

(i.e. 12/31/32) and the end of the Term is allotted to ensure Anew has sufficient time to market and sell the credits developed during the final year(s) of the **Development Period Term**.

dd. **“Third Party Sale Agreement”** means an agreement of sale between Anew and a third party (i.e., not a Party or an Affiliate of Anew) that provides for the transfer sale of ERBs subject to this Agreement to such third party in return for a cash payment by such Third Party to Anew.

ee. **“Verification,” “Verify,” or “Verifying”** means the confirmation by a Verifier of the quantity of Greenhouse Gas emission reductions resulting from a Project during a stipulated time period.

ff. **“Verifier”** means an independent person or entity that meets professional qualification, independence, and other requirements prescribed by VERRA to Verify GHG emission reductions or projects.

gg. **“VERRA”** means the Verra Registry, a non-profit, voluntary GHG registry.

Exhibit B

GENERAL TERMS AND CONDITIONS

1. Rules of Interpretation. Section headings are for convenience only, and shall not affect the interpretation of this Agreement. References to “herein^{12.1}” “hereto^{12.2}” “hereby^{12.3}” “hereunder^{12.4}” “hereof^{12.5}” and similar expressions are references to this Agreement as a whole, and not to any particular provision of this Agreement. References to sections are, unless the context otherwise requires, references to sections of this Agreement. Words importing the singular shall include the plural and vice versa; words importing gender shall include the masculine, feminine, and neutral genders, all as may be applicable by the context. The word “person” shall include individuals; partnerships; corporate bodies (including but not limited to corporations, limited partnerships and limited liability companies); non-profit corporations or associations; governmental bodies and agencies; and regulated utilities. The word “including” shall be deemed to be followed by the words “without limitation^{12.6}.” If any conflict exists between the text of this Agreement and the contents of an Exhibit hereto, the text of this Agreement shall govern.

2. Publicity. With the exception of the October 2022 Bethlehem Authority board meeting at which this Agreement is being considered for adoption, neither Party shall issue nor allow any press release nor make other public nor internet-based communication outlining the existence and general benefits of this Agreement without the prior written consent of the other Party.

3. Entire Agreement. This Agreement, together with and including any exhibit referenced herein or attached hereto, constitutes the full understanding of the Parties and supersedes all prior understandings of the Parties, both written and oral, and no terms, conditions, understandings or agreements purporting to modify or vary the terms of this document shall be binding unless hereafter made in writing and signed the Parties.

4. Force Majeure. If either Party is prevented from performing or is unable to perform any of its obligations under this Agreement (other than a payment obligation) due to any Act of God, fire, casualty, flood, earthquake, war, strike, lockout, epidemic, riot, insurrection, or any other cause beyond the reasonable control of the Party (“Force Majeure”) invoking this section and if such Party shall have used its commercially reasonable efforts to mitigate its effects, such Party shall give prompt written notice to the other Party, its performance shall be excused, and the time for the performance shall be extended for the period of delay or inability to perform due to such occurrences. Regardless of the excuse of Force Majeure, if such Party is not able to perform within one hundred eighty (180) days after such event, the other Party may terminate the Agreement with respect to the Project affected by the Force Majeure. Termination of this Agreement shall not affect the obligations of either Party that exist as of the date of termination or with respect to the other Projects. Neither Party shall be required to settle a labor dispute, strike or lockout in order to mitigate or remedy a condition of Force Majeure.

5. Governing Law; Jurisdiction and Venue. This Agreement shall be interpreted according to the laws of the State of Pennsylvania, without regard to any conflict of laws provisions which would compel the application of the law of any other forum. Any legal suit, action or proceeding arising out of this Agreement shall be instituted in any United States federal court or state court located in Pennsylvania, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

6. Assignment. This Agreement shall be binding upon and inure to the benefit of the Landowner and Anew and their respective successors and permitted assigns. Anew shall have the right to assign its rights (but not its obligations) hereunder as security for indebtedness without Landowner’s consent. Anew may transfer its interest to any parent or Affiliate by assignment, merger or otherwise

without the prior approval of the Landowner. Except as set forth under this Section 6 of these General Terms and Conditions, neither Party may assign its rights or delegate its duties or obligations hereunder to any third party without the express written consent of the other Party, which consent shall not be unreasonably withheld. Any purported or attempted assignment in violation of this Section 6 of these General Terms and Conditions shall be null, void, and of no effect.

7. Headings. The headings set forth in this Agreement are for reference purposes only and will not be considered in the interpretation or enforcement of the provisions of this Agreement.

8. Expenses. Each Party shall be responsible for and pay its own legal and other costs associated with the negotiation and execution of this Agreement.

9. Attorneys' Fees. If either Party brings an action (including any arbitration action) against the other to enforce any term of this Agreement, the prevailing Party in such action shall be entitled to recover, in addition to all other damages to which it may be entitled, all of its reasonable expenses incurred in connection therewith, including but not limited to reasonable attorney's fees and costs and court costs.

10. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

Exhibit C

PROJECT LOCATION

The project location consists of all acres included in the Bethlehem Authority Improved Forest Management Project (VCS ID#1060), currently enrolled with the Verra Registry. It is understood that the project boundary will be updated during the Development Period of this Agreement.