

ASSIGNMENT, ASSUMPTION AND MODIFICATION OF WATER RIGHTS LEASE AGREEMENT

This ASSIGNMENT, ASSUMPTION AND MODIFICATION OF WATER RIGHTS LEASE AGREEMENT ("Assignment") made and entered into as of July 14, 2010, by and among Transition Power Development, LLC, a Utah limited liability company, having a place of business at 299 South Main Street Suite 1300 Salt Lake City, UT 84111 ("Assignor"), Blue Castle Holdings, Inc., a Delaware corporation, having a place of business at 299 South Main Street Suite 1300 Salt Lake City, UT 84111 ("Assignee") and Kane County Water Conservancy District, a political subdivision of the State of Utah created and governed under the Water Conservancy District Act found at *Utah Code Ann.* §§ 17B-2a-1001 ("Lessor").

BACKGROUND

A. Lessor and Assignor entered into a certain Water Rights Lease Agreement dated as of September 20, 2007 (the "Lease") with respect to certain Water Rights Nos. 89-74, 89-1285 and 89-1513 ("Water Rights") for 29,600 acre-feet of water under said Water Rights for the development, construction, testing and operation of as many as four power generation facilities in or adjacent to Emery County, Utah.

B. Assignor is desirous of assigning its beneficial interest as Lessee under the Lease to Assignee.

C. Assignee is desirous of assuming Lessee's beneficial interest under the Lease and all rights and obligations of the Lessee arising under the Lease.

D. Lessor is willing to consent to said assignment on condition that Assignor remains jointly and severally liable with Assignee for Lessee's obligations under the Lease, as set forth herein.

NOW THEREFORE, for the premises set forth above, the promises contained herein and the consideration of One (\$1.00) Dollar and other good and valuable consideration, the parties hereto hereby agree as follows:

1. Capitalized Terms. Except as otherwise defined herein, any and all defined terms used herein shall have the meaning set forth in the Lease.

2. Assignment and Assumption

A. Pursuant to Section 24 of the Lease, Assignor, as Lessee, does hereby sell, convey, transfer and assign, without recourse, and set over unto Assignee all of the Assignor's beneficial interest as Lessee under the Lease.

B. Assignee hereby unconditionally and absolutely assumes all of the obligations and agrees to perform all of the terms, covenants and conditions of the Lease on the part of the Lessee therein required to be performed, including payment of all Lease Payments set forth in Section 11. Furthermore, Assignee hereby represents and warrants that Assignee is capable of assuming the obligations under the Lease.

C. Assignor represents to its actual knowledge that no default exists by Lessor or Assignor under the Lease and that the Lease is now in full force and effect and has not been amended or modified in any material respect, except as follows: Assignor and Lessor agree that subparagraph 13(d) is hereby amended in its entirety to read as follows: "d. Four (4) years after the Effective Date if there is no Final Approval of the Change Application, unless mutually agreed upon by the Parties." Assignor, Assignee and Lessor hereby agree that Assignee is assuming Lessee's beneficial interest under the Lease as so modified.

3. Joint and Several Liability. Assignor, Assignee and Lessor agree that from and after execution of this Assignment by Assignor, Assignee and Lessor, and unless and until Lessor agrees otherwise in writing, Assignor and Assignee shall be jointly and severally liable to Lessor for the full, faithful and prompt payment and performance of all of Lessee's duties and obligations under the Lease.

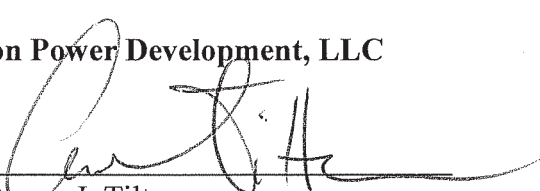
4. Lessor's Consent. Lessor by its signature below hereby consents to the assignment of the Lease by Assignor to Assignee pursuant to this Assignment.

5. Signing Authority. Each person signing this Assignment on behalf of any entity represents that he or she is fully authorized and empowered to execute this Assignment on behalf of such entity by the vote or other official action of such entity.

In Witness Whereof, the Assignor, Assignee and Lessor have made, executed and delivered the within instrument in duplicate originals as of the 20th day of July, 2010.

ASSIGNOR:

Transition Power Development, LLC

By: 
Name: Aaron J. Tilton
Title: Managing Member

ASSIGNEE:

Blue Castle Holdings, Inc.

By: 
Name: Aaron J. Tilton
Title: President & CEO

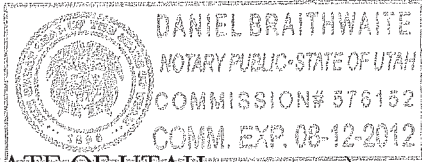
LESSOR:

Kane County Water Conservancy District

By: [Signature]
Name: MICHAEL Noel
Title: Genrl Mgr

STATE OF UTAH)
COUNTY OF Kane) ss.

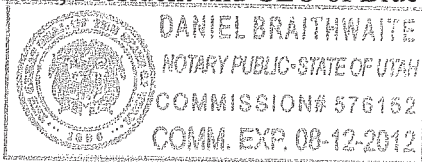
The foregoing document was acknowledged before me this 28th day of July, 2010 by Aaron J. Tilton, Managing Member of Transition Power Development, LLC.



[Signature]
Notary Public

STATE OF UTAH)
COUNTY OF Utah) ss.

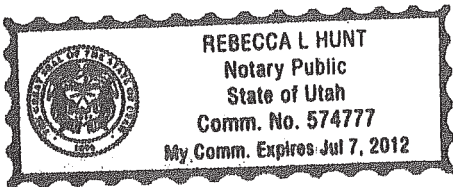
The foregoing document was acknowledged before me this 28 day of July, 2010 by Aaron J. Tilton, President and CEO of Blue Castle Holdings, Inc.



[Signature]
Notary Public

STATE OF UTAH)
COUNTY OF KANE) ss.

The foregoing document was acknowledged before me this 14 day of July, 2010 by Michael E. Noel, Executive Director, Kane County Water Conservancy District.



[Signature]
Notary Public