

100345-EQ
100346-EQ
100347-EQ

REDACTED

Exhibit B

REDACTED

DOCUMENT NUMBER-DATE

09206 NOV-5 9

FPSC-COMMISSION CLERK

ATTACHMENT A

Hathaway Contract #1

(Clean Copy)

- (h) A reference to a document, code, contract or agreement, including this Agreement, includes a reference to that document, code, contract or agreement as novated, amended, modified, revised, supplemented, replaced or restated from time to time in accordance with the relevant provisions thereof.
- (i) Unless otherwise expressly provided for as set forth herein, if any payment, act, matter or thing hereunder would occur on a Day that is not a Business Day, then such payment, act, matter or thing shall, unless otherwise expressly provided for herein, occur on the next succeeding Business Day.
- (j) Where reference is made to an Applicable Law, such reference to give meaning to the intent of the Parties hereto, shall be deemed to include all prior and subsequent enactments, amendments and modifications pertaining thereto.
- (k) Any reference to the word "include" shall be interpreted to mean "including without limitation."

2. TERM

2.1. Term

(a) This Agreement shall be in full force and effect as of the Effective Date and shall continue to remain in full force and effect for a period ending on the date that is Twenty-Five (25) years from the Capacity Commencement Date (the "Term"), unless otherwise extended or terminated earlier in accordance with the provisions of this Agreement, including, without limitation, due to Seller's failure to satisfy the conditions precedents set forth herein.

2.2. QF Status

(a) The continuation of this Agreement is contingent on the Facility achieving and maintaining its status as a Qualifying Facility in accordance with this Agreement. Buyer shall submit this Agreement and related documentation to the FPSC for approval within ten (10) Days of the Effective Date. The Seller agrees and acknowledges that Buyer's obligation to purchase Energy from the Facility is expressly contingent on the Facility meeting the requirements of the Act.

2.3 Regulatory Approvals

(a) The obligations of the Parties hereunder, including but not limited to Buyer's obligation to perform under this Agreement shall be conditioned upon the Buyer obtaining any regulatory approvals it, acting in its sole discretion, deems necessary or desirable, including but not limited to, a final non-appealable order or other regulatory determination from the FPSC that Buyer shall have cost recovery associated with its performance under this Agreement. With respect to the FPSC, Buyer shall petition the FPSC for approvals relating to this Agreement within ten (10) business Days of the Effective Date. Seller agrees to cooperate with and assist Buyer in these efforts as Buyer may reasonably request. If any such regulatory approval is not obtained to Buyer's satisfaction, in its sole discretion, within [REDACTED] of such request, then this Agreement shall terminate upon ten (10) Days notice, with neither Party having any liability under this Agreement and neither Party having any further obligations relating to this Agreement.

3. CONDITIONS PRECEDENT

3.1. Conditions Precedent

(a) This continuation of this Agreement shall be contingent upon no Event of Default having occurred or continuing, and Seller's completion of the following conditions precedent ("Conditions Precedent") to the satisfaction of the Buyer, acting in Buyer's sole commercially reasonable discretion, unless expressly waived in writing by Buyer in its sole discretion:

- (i) Seller shall have developed a Buyer-approved plan for the transmission service necessary to deliver Capacity and Energy from the Facility to the Electrical Interconnection Point by [REDACTED];
- (ii) Seller having entered into Financing Documents relative to the construction of the Facility and having achieved Financial Closing by [REDACTED];
- (iii) Seller having entered into the Project Contracts;
- (iv) Seller having obtained insurance policies or coverage in compliance with Section 5 by no later than [REDACTED];
- (v) Seller obtaining Qualifying Facility Status as set forth in Section 2.2 of this Agreement by no later than [REDACTED].

3.2. Capacity Commencement Date

(a) Seller shall achieve the Capacity Commencement Date on or before the Required Capacity Commencement Date, after which date if the Facility has not achieved Commissioning status then Buyer may terminate this Agreement with fifteen (15) days notice to Seller, but without any further obligation and/or liability to Buyer to perform hereunder.

3.3. Commencement Obligations

- (a) Seller shall ensure that on or before the Test Date:
- (b) the Facility shall have been constructed in accordance with the applicable Project Contracts and Project Consents so that Commissioning may be duly and properly undertaken in accordance with Section 6; and,
- (c) an operable physical connection from the Facility to the Transmission System shall have been effected in accordance with the Electrical Interconnection and Operating Agreement, provided, however, that such physical connection shall be made consistent with the terms hereof.

4. REPRESENTATIONS AND WARRANTIES

Mutual: Each Party represents and warrants to the other Party that as of the Effective Date and throughout the Term of this Agreement that:

- a) It is duly organized, validly existing and in good standing under the Applicable Laws of the jurisdiction of its organization or formation and has all requisite power and authority to execute and enter into this Agreement;

power factor, vars, ancillary services and other electrical specifications required by the Transmission Provider.

- (b) Seller shall operate the Facility in accordance with Prudent Utility Practices and with all system protective equipment in service whenever the Facility is connected to, or is operated in parallel with, the Transmission System. Seller shall provide adequate system protection and control devices to ensure safe and protected operation of all energized equipment during normal testing and repair. The Facility's protective equipment shall meet IEEE and industry standards. Seller shall have qualified independent, third party personnel test, calibrate and certify in writing the proper functioning of all protective equipment at least once every twelve (12) months in accordance with Prudent Utility Practices. Seller shall perform a unit functional trip test after each overhaul of the Facility's turbine, generator and boilers and shall provide results to Buyer in writing prior to returning the equipment to service. The specifics of the unit functional trip test will be consistent with Prudent Utility Practices.

6.9. Security

- (a) As security for the achievement of the Required Capacity Commencement Date and satisfactory performance of its obligations hereunder, Seller shall provide Buyer with either: (i) one or more unconditional, irrevocable, direct pay Letter(s) of Credit (as herein defined), with the costs associated with any such Letter of Credit to be borne by Seller, or (ii) cash deposits in the amounts specified in this Section 6.9.
- (b) As used herein, a "Letter of Credit" shall mean a standby letter of credit issued by U.S. commercial banks or a foreign banks having a licensed U.S. branch, provided that any such bank shall have a credit rating of at least A- from S&P or A3 from Moody's (the "Issuer") or such other banks that Buyer deems acceptable to Buyer in its sole commercially reasonable discretion based on Buyer's review of such bank's financial condition; and, provided further, that any such letter of credit shall be in a form reasonably acceptable to the Party in favor of whom it is being issued.
- (c) For the period beginning one year from the final approval of this Agreement by the FPSC and continuing until the term of this contract, twenty-five years after the Capacity Commencement Date, Seller shall maintain a Letter of Credit in the amount of [REDACTED].
- (d) Buyer shall have the right and Seller shall be required to monitor the financial condition of the Issuer(s) in the event any Letter of Credit is provided by Seller. In the event the Senior Debt Rating of any Issuer(s) has deteriorated to a level below the level stated in clause (b) of this Section 6.9, Buyer may require Seller to replace the Letter(s) of Credit. Replacement Letter(s) of Credit must meet the requirements listed in clause (b) of this Section 6.9 within ten (10) Days following written notification to Seller of the requirement to replace.
- (e) Failure by Seller to comply with the requirements of this Section 6.9 shall, absent a cure by Seller in accordance with Section 17 hereof, be grounds for Buyer to draw in full on the existing Letter of Credit and will constitute a Event of Default. In the case of any Seller Event of Default, Buyer shall be entitled immediately to receive, draw upon or retain, as the case may be, one hundred percent (100%) of the applicable security.

12.6. Change in Environmental Law

- (a) As used herein, "Change(s) in Environmental Law(s)" means: (i) the enactment, adoption, promulgation, implementation, or issuance of, or a new or changed interpretation of, any statute, rule, regulation, permit, license, judgment, order or approval by a governmental entity that specifically addresses environmental issues and that takes effect after the Effective Date; and (ii) the imposition on a Party by any governmental entity of any requirement with respect to compliance with the Clean Air Interstate Rule promulgated on May 12, 2005 (70 Fed. Reg. 25,162) or the Clean Air Mercury Rule promulgated on May 18, 2005 (70 Fed. Reg. 28,606) and any re-promulgation or re-issuance of such rules in response to a petition for reconsideration or litigation challenging such rules, regardless of the date on which such requirements are imposed.
- (b) The Parties acknowledge that Change(s) in Environmental Law(s) could significantly increase the costs of complying with the terms of this Agreement ("Increased Environmental Costs") and agree that, if any Change(s) in Environmental Law(s) should increase(s) a Party's cost of performing its obligations under this Agreement above the threshold amount set forth in Section 12.6(c) below, the Party affected by such Change(s) in Environmental Law(s) may avail itself of the remedies set forth in Section 12.6(d) below as its sole and exclusive remedies for such Change(s) in Environmental Law(s).
- (c) The Parties recognize and agree that certain Change(s) in Environmental Law(s) may occur that do not rise to a level that the Parties desire to impact this Agreement. Accordingly, the Parties agree that for the purposes of this Agreement, Change(s) in Environmental Law(s) will not be deemed to have occurred unless the Increased Environmental Costs resulting from any single such Change(s) in Environmental Law(s) exceed [REDACTED] in the aggregate during the Term. Notwithstanding the foregoing, Seller shall be responsible for any and all costs relating to the operation and maintenance of the Facility, including, without limitation, environmental compliance costs.
- (d) If a Party's Increased Environmental Costs should demonstrably exceed the threshold requirements set forth in Section 12.6(c) above, the Parties may renegotiate the terms of this Agreement. In the event the non-affected Party does not agree, in its sole discretion, to renegotiate this Agreement, then the affected Party may terminate this Agreement upon one hundred and eighty (180) Days written notice to the other Party in the manner provided for in Section 18.3.

12.7. Survival on Termination

The provisions of this Section 12 shall survive the repudiation, termination or expiration of this Agreement for so long as may be necessary to give effect to any outstanding payment obligations of the Parties due and payable prior to any such repudiation, termination or expiration.

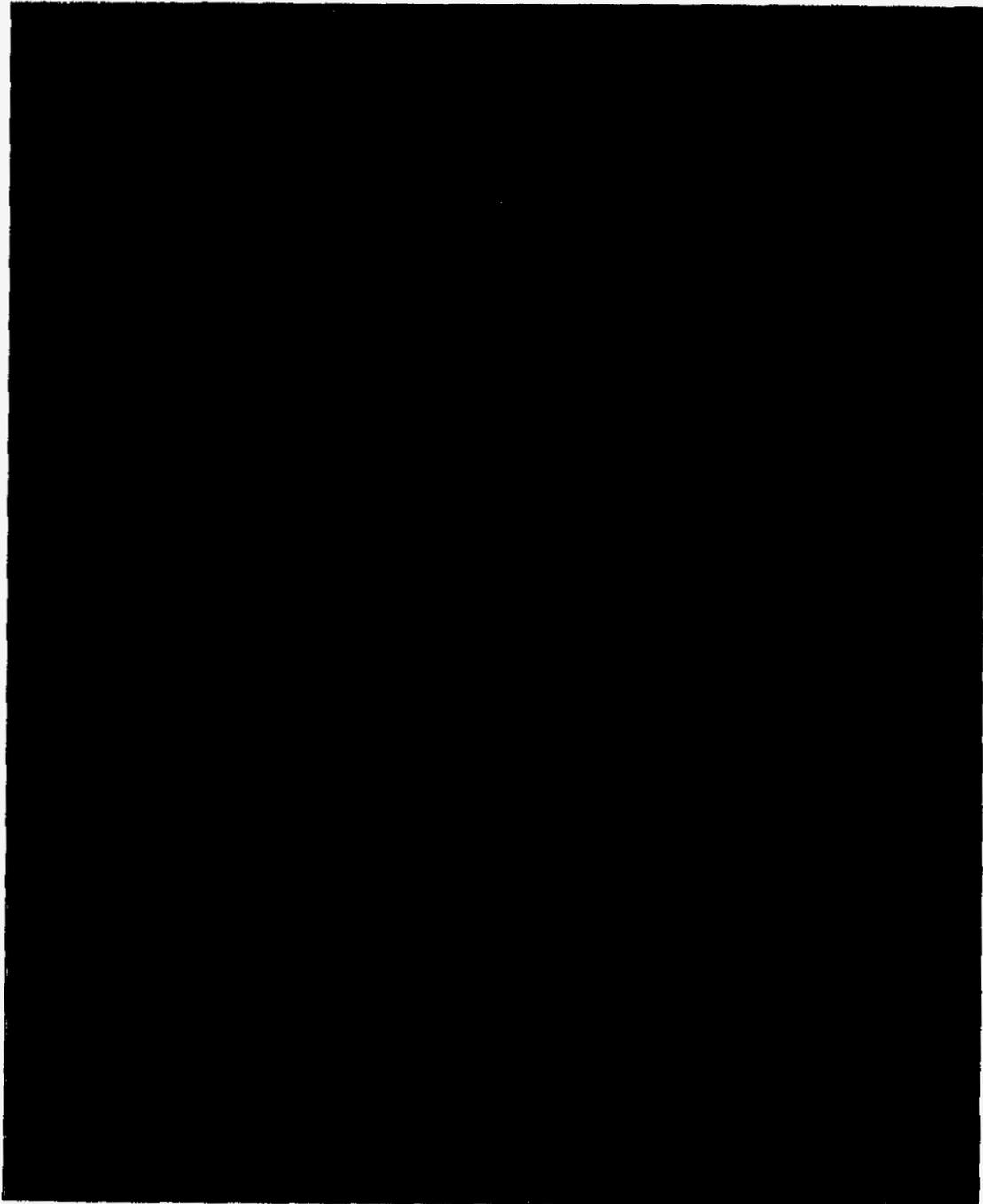
13. BILLING AND PAYMENT

13.1. Statements and Payment of Electricity Payments

- (a) Buyer shall read or have read on its behalf the Metering Equipment at the Electrical Interconnection Point at midnight Eastern Prevailing Time on the last Day of each Month, unless otherwise mutually agreed by the Parties.

APPENDIX 1

FACILITY CONFIGURATION



APPENDIX 4

SELLER'S CORPORATE INFORMATION

Hathaway Renewable Energy, Inc.

Physical Address: 45 Franks Road
Leoma, Lawrence County, Tennessee 38468

Phone: (931) 231-5450

Fax: (931) 852-4160

E-mail: hathawaykw@msn.com

Mailing Address: P.O. Box 356
Leoma, TN 38468-0356

State of Incorporation: Tennessee on October 26, 2009, control #616183

Qualified in Florida: January 26, 2010, control #F10000000444

EIN: [REDACTED]

DUNS: [REDACTED]

CAGE Code: [REDACTED]

CCR Registration: Completed December 23, 2009 good for one year

NAICS: [REDACTED]

SIC: [REDACTED]

Bank of Frankewing, Lawrencburg, TN 38464

RTN: [REDACTED]

ACCT: [REDACTED]

Tax Year: 1 OCT to 30 SEP

ATTACHMENT B

Hathaway Contract #1

(Red-line version)

- (i) Unless otherwise expressly provided for as set forth herein, if any payment, act, matter or thing hereunder would occur on a Day that is not a Business Day, then such payment, act, matter or thing shall, unless otherwise expressly provided for herein, occur on the next succeeding Business Day.
- (j) Where reference is made to an Applicable Law, such reference to give meaning to the intent of the Parties hereto, shall be deemed to include all prior and subsequent enactments, amendments and modifications pertaining thereto.
- (k) Any reference to the word "include" shall be interpreted to mean "including without limitation."

2. TERM

2.1. Term

(a) This Agreement shall be in full force and effect as of the Effective Date and shall continue to remain in full force and effect for a period ending on the date that is Twenty-Five (25) years from the Capacity Commencement Date (the "Term"), unless otherwise extended or terminated earlier in accordance with the provisions of this Agreement, including, without limitation, due to Seller's failure to satisfy the conditions precedents set forth herein.

2.2. QF Status

(a) The continuation of this Agreement is contingent on the Facility achieving and maintaining its status as a Qualifying Facility in accordance with this Agreement. Buyer shall submit this Agreement and related documentation to the FPSC for approval within ten (10) Days of the ~~Execution~~ Effective Date. The Seller agrees and acknowledges that Buyer's obligation to purchase Energy from the Facility is expressly contingent on the Facility meeting the requirements of the Act.

2.3 Regulatory Approvals

(a) The obligations of the Parties hereunder, including but not limited to Buyer's obligation to perform under this Agreement shall be conditioned upon the Buyer obtaining any regulatory approvals it, acting in its sole discretion, deems necessary or desirable, including but not limited to, a final non-appealable order or other regulatory determination from the FPSC that Buyer shall have cost recovery associated with its performance under this Agreement. With respect to the FPSC, Buyer shall petition the FPSC for approvals relating to this Agreement within ten (10) business Days of the Effective Date. Seller agrees to cooperate with and assist Buyer in these efforts as Buyer may reasonably request. If any such regulatory approval is not obtained to Buyer's satisfaction, in its sole discretion, within [REDACTED] of such request, then this Agreement shall terminate upon ten (10) Days notice, with neither Party having any liability under this Agreement and neither Party having any further obligations relating to this Agreement.

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3. CONDITIONS PRECEDENT

3.1. Conditions Precedent

(a) This continuation of this Agreement shall be contingent upon no Event of Default having occurred or continuing, and Seller's ~~satisfaction-completion~~ of the following conditions precedent ("Conditions Precedent") to the satisfaction of the Buyer, acting in its ~~Buyer's~~ sole commercially reasonable discretion, unless expressly waived in writing by Buyer in its sole discretion:

- (i) Seller shall have developed a Buyer-approved plan for the transmission service necessary to deliver Capacity and Energy from the Facility to the Electrical Interconnection Point by [REDACTED];
- (ii) Seller having entered into Financing Documents relative to the construction of the Facility and having achieved Financial Closing by [REDACTED];
- (iii) Seller having entered into the Project Contracts;
- (iv) Seller having obtained insurance policies or coverage in compliance with Section 5 by no later than [REDACTED];
- (v) Seller obtaining Qualifying Facility Status as set forth in Section 2.2 of this Agreement by no later than [REDACTED];

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3.2. Capacity Commencement Date

(a) Seller shall achieve the Capacity Commencement Date on or before the Required Capacity Commencement Date, after which date if the Facility has not achieved Commissioning status then Buyer may terminate this Agreement with fifteen (15) days notice to Seller, but without any further obligation and/or liability to Buyer to perform hereunder.

3.3. Commencement Obligations

- (a) Seller shall ensure that on or before the Test Date:
- (b) the Facility shall have been constructed in accordance with the applicable Project Contracts and Project Consents so that Commissioning may be duly and properly undertaken in accordance with Section 6; and,
- (c) an operable physical connection from the Facility to the Transmission System shall have been effected in accordance with the Electrical Interconnection and Operating Agreement, provided, however, that such physical connection shall be made consistent with the terms hereof.

4. REPRESENTATIONS AND WARRANTIES

Mutual: Each Party represents and warrants to the other Party that as of the Effective Date and throughout the Term of this Agreement that:

- a) It is duly organized, validly existing and in good standing under the Applicable Laws of the jurisdiction of its organization or formation and has all requisite power and authority to execute and enter into this Agreement;
- b) It has all authorizations under the Applicable Laws, necessary for it to legally perform its obligations and consummate the transactions contemplated hereunder or will obtain such authorizations in a timely manner prior to the time that performance by such Party becomes due;
- c) The execution, delivery, and performance of this Agreement will not conflict with or violate any Applicable Law or any contract, agreement or arrangement to which it is a party or by which it is otherwise bound;
- d) This Agreement constitutes a legal, valid, and binding obligation of such Party enforceable against it in accordance with its terms, and such Party has all rights necessary to perform its obligations to the other Party in conformance with the terms and conditions of this Agreement, subject to bankruptcy,

each overhaul of the Facility's turbine, generator and boilers and shall provide results to Buyer in writing prior to returning the equipment to service. The specifics of the unit functional trip test will be consistent with Prudent Utility Practices.

6.9. Security

- (a) As security for the achievement of the Required Capacity Commencement Date and satisfactory performance of its obligations hereunder, Seller shall provide Buyer with either: (i) one or more unconditional, irrevocable, direct pay Letter(s) of Credit (as herein defined), with the costs associated with any such Letter of Credit to be borne by Seller, or (ii) cash deposits in the amounts specified in this Section 6.9.
- (b) As used herein, a "Letter of Credit" (LC) shall mean a standby letter of credit issued by U.S. commercial banks or a foreign banks having a licensed U.S. branch, provided that any such bank shall have a credit rating of at least A- from S&P or A3 from Moody's (the "Issuer") or such other banks that Buyer deems acceptable to Buyer in its sole commercially reasonable discretion based on Buyer's review of such bank's financial condition; and, provided further, that any such letter of credit shall be in a form reasonably acceptable to the Party in favor of whom it is being issued.
- (c) For the period beginning ~~on one year from the latest date by which any appeal could have been (but was not) taken in connection with~~ the final approval of this Agreement by the FPSC and continuing until the term of this contract, twenty-five years after the Capacity Commencement Date, Seller shall maintain a Letter of Credit in the amount of [REDACTED].
- (d) Buyer shall have the right and Seller shall be required to monitor the financial condition of the Issuer(s) in the event any Letter of Credit is provided by Seller. In the event the Senior Debt Rating of any Issuer(s) has deteriorated to a level below the level stated in clause (b) of this Section 6.9, Buyer may require Seller to replace the Letter(s) of Credit. Replacement Letter(s) of Credit must meet the requirements listed in clause (b) of this Section 6.9 within ten (10) Days following written notification to Seller of the requirement to replace.
- (e) Failure by Seller to comply with the requirements of this Section 6.9 shall, absent a cure by Seller in accordance with Section 17 hereof, be grounds for Buyer to draw in full on the existing Letter of Credit and will constitute a Seller Remedial Event of Default. ~~In the event of any other Seller Remedial Event, Buyer shall not be entitled to receive, draw upon or retain, as the case may be, any portion of the applicable security until such Seller Remedial Event shall be deemed a Seller Non-Remedial Event, as described in Section 17.1(b)(iii) hereof. In the case of any Seller Non-Remedial Event of Default, Buyer shall be entitled immediately to receive, draw upon or retain, as the case may be, one hundred percent (100%) of the applicable security.~~

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6.10. Submission of Data

- (a) Seller shall submit or cause to be submitted to Buyer the following documents on or before the dates specified below:
 - (i) No later than Thirty (30) Days after the Financial Closing Date and ending on the Capacity Commencement Date, (A) monthly construction progress reports in such form as may be agreed to by the Parties, (B) such other reports as are submitted to Seller by the Independent Engineer, and (C) reports, when and as Seller becomes aware, of any

- (d) If Buyer elects to reduce payments to Seller pursuant to this Section, Seller may terminate this Agreement upon one hundred eighty (180) Days notice; ~~provided, however, that Seller gives Buyer written notice of said termination within one hundred eighty (180) Days after such payment reductions to Seller take effect.~~

12.8.12.6. Change in Environmental Law

- (a) As used herein, "Change(s) in Environmental Law(s)" means: (i) the enactment, adoption, promulgation, implementation, or issuance of, or a new or changed interpretation of, any statute, rule, regulation, permit, license, judgment, order or approval by a governmental entity that specifically addresses environmental issues and that takes effect after the Effective Date; and (ii) the imposition on a Party by any governmental entity of any requirement with respect to compliance with the Clean Air Interstate Rule promulgated on May 12, 2005 (70 Fed. Reg. 25,162) or the Clean Air Mercury Rule promulgated on May 18, 2005 (70 Fed. Reg. 28,606) and any re-promulgation or re-issuance of such rules in response to a petition for reconsideration or litigation challenging such rules, regardless of the date on which such requirements are imposed.
- (b) The Parties acknowledge that Change(s) in Environmental Law(s) could significantly increase the costs of complying with the terms of this Agreement ("Increased Environmental Costs") and agree that, if any Change(s) in Environmental Law(s) should increase(s) a Party's cost of performing its obligations under this Agreement above the ~~Threshold-threshold~~ amount set forth in Section 12.96(c) below, the Party affected by such Change(s) in Environmental Law(s) may avail itself of the remedies set forth in Section 12.96(d) below as its sole and exclusive remedies for such Change(s) in Environmental Law(s).
- (c) The Parties recognize and agree that certain Change(s) in Environmental Law(s) may occur that do not rise to a level that the Parties desire to impact this Agreement. Accordingly, the Parties agree that for the purposes of this Agreement, Change(s) in Environmental Law(s) will not be deemed to have occurred unless the Increased Environmental Costs resulting from any single such Change(s) in Environmental Law(s) exceed [REDACTED] in the aggregate during the Term ~~(the "Threshold")~~. Notwithstanding the foregoing, Seller shall be responsible for any and all costs relating to the operation and maintenance of the Facility, including, without limitation, environmental compliance costs.
- (d) If a Party's Increased Environmental Costs should demonstrably exceed the ~~Threshold-threshold~~ requirements set forth in Section 12.96(c) above, the Parties may renegotiate the terms of this Agreement. In the event the non-affected Party does not agree, in its sole discretion, to renegotiate this Agreement, then the affected Party may terminate this Agreement upon one hundred and eighty (180) Days written notice to the other Party in the manner provided for in Section 18.3.

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12.9.12.7. Survival on Termination

The provisions of this Section 12 shall survive the repudiation, termination or expiration of this Agreement for so long as may be necessary to give effect to any outstanding payment obligations of the Parties due and payable prior to any such repudiation, termination or expiration.

APPENDIX 1

FACILITY CONFIGURATION



APPENDIX 54

SELLER'S CORPORATE INFORMATION

Hathaway Renewable Energy, Inc.

Physical Address: 45 Franks Road
Leoma, Lawrence County, Tennessee 38468
Phone: (931) 231-5450
Fax: (931) 852-4160
E-mail: hathawaykw@msn.com

Mailing Address: P.O. Box 356
Leoma, TN 38468-0356

State of Incorporation: Tennessee on October 26, 2009, control #616183

Qualified in Florida: January 26, 2010, control #F10000000444

EIN: [REDACTED]

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DUNS: [REDACTED]

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CAGE Code: [REDACTED]

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CCR Registration: Completed December 23, 2009 good for one year

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NAICS: [REDACTED]

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SIC: [REDACTED]

Bank of Frankewing, Lawrencburg, TN 38464

RTN: [REDACTED]

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ACCT: [REDACTED]

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Tax Year: 1 OCT to 30 SEP

ATTACHMENT A

Hathaway Contract #2

(Clean Copy)

- (h) A reference to a document, code, contract or agreement, including this Agreement, includes a reference to that document, code, contract or agreement as novated, amended, modified, revised, supplemented, replaced or restated from time to time in accordance with the relevant provisions thereof.
- (i) Unless otherwise expressly provided for as set forth herein, if any payment, act, matter or thing hereunder would occur on a Day that is not a Business Day, then such payment, act, matter or thing shall, unless otherwise expressly provided for herein, occur on the next succeeding Business Day.
- (j) Where reference is made to an Applicable Law, such reference to give meaning to the intent of the Parties hereto, shall be deemed to include all prior and subsequent enactments, amendments and modifications pertaining thereto.
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2. TERM

2.1. Term

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2.2. QF Status

(a) The continuation of this Agreement is contingent on the Facility achieving and maintaining its status as a Qualifying Facility in accordance with this Agreement. Buyer shall submit this Agreement and related documentation to the FPSC for approval within ten (10) Days of the Effective Date. The Seller agrees and acknowledges that Buyer's obligation to purchase Energy from the Facility is expressly contingent on the Facility meeting the requirements of the Act.

2.3 Regulatory Approvals

(a) The obligations of the Parties hereunder, including but not limited to Buyer's obligation to perform under this Agreement shall be conditioned upon the Buyer obtaining any regulatory approvals it, acting in its sole discretion, deems necessary or desirable, including but not limited to, a final non-appealable order or other regulatory determination from the FPSC that Buyer shall have cost recovery associated with its performance under this Agreement. With respect to the FPSC, Buyer shall petition the FPSC for approvals relating to this Agreement within ten (10) business Days of the Effective Date. Seller agrees to cooperate with and assist Buyer in these efforts as Buyer may reasonably request. If any such regulatory approval is not obtained to Buyer's satisfaction, in its sole discretion, within [REDACTED] of such request, then this Agreement shall terminate upon ten (10) Days notice, with neither Party having any liability under this Agreement and neither Party having any further obligations relating to this Agreement.

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- (iv) Seller having obtained insurance policies or coverage in compliance with Section 5 by no later than [REDACTED];
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3.3. Commencement Obligations

- (a) Seller shall ensure that on or before the Test Date:
- (b) the Facility shall have been constructed in accordance with the applicable Project Contracts and Project Consents so that Commissioning may be duly and properly undertaken in accordance with Section 6; and,
- (c) an operable physical connection from the Facility to the Transmission System shall have been effected in accordance with the Electrical Interconnection and Operating Agreement, provided, however, that such physical connection shall be made consistent with the terms hereof.

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power factor, vars, ancillary services and other electrical specifications required by the Transmission Provider.

- (b) Seller shall operate the Facility in accordance with Prudent Utility Practices and with all system protective equipment in service whenever the Facility is connected to, or is operated in parallel with, the Transmission System. Seller shall provide adequate system protection and control devices to ensure safe and protected operation of all energized equipment during normal testing and repair. The Facility's protective equipment shall meet IEEE and industry standards. Seller shall have qualified independent, third party personnel test, calibrate and certify in writing the proper functioning of all protective equipment at least once every twelve (12) months in accordance with Prudent Utility Practices. Seller shall perform a unit functional trip test after each overhaul of the Facility's turbine, generator and boilers and shall provide results to Buyer in writing prior to returning the equipment to service. The specifics of the unit functional trip test will be consistent with Prudent Utility Practices.

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- (b) As used herein, a "Letter of Credit" shall mean a standby letter of credit issued by U.S. commercial banks or a foreign banks having a licensed U.S. branch, provided that any such bank shall have a credit rating of at least A- from S&P or A3 from Moody's (the "Issuer") or such other banks that Buyer deems acceptable to Buyer in its sole commercially reasonable discretion based on Buyer's review of such bank's financial condition; and, provided further, that any such letter of credit shall be in a form reasonably acceptable to the Party in favor of whom it is being issued.
- (c) For the period beginning one year from the final approval of this Agreement by the FPSC and continuing until the term of this contract, twenty-five years after the Capacity Commencement Date, Seller shall maintain a Letter of Credit in the amount of [REDACTED].
- (d) Buyer shall have the right and Seller shall be required to monitor the financial condition of the Issuer(s) in the event any Letter of Credit is provided by Seller. In the event the Senior Debt Rating of any Issuer(s) has deteriorated to a level below the level stated in clause (b) of this Section 6.9, Buyer may require Seller to replace the Letter(s) of Credit. Replacement Letter(s) of Credit must meet the requirements listed in clause (b) of this Section 6.9 within ten (10) Days following written notification to Seller of the requirement to replace.
- (e) Failure by Seller to comply with the requirements of this Section 6.9 shall, absent a cure by Seller in accordance with Section 17 hereof, be grounds for Buyer to draw in full on the existing Letter of Credit and will constitute a Event of Default. In the case of any Seller Event of Default, Buyer shall be entitled immediately to receive, draw upon or retain, as the case may be, one hundred percent (100%) of the applicable security.

- (d) If Buyer elects to reduce payments to Seller pursuant to this Section, Seller may terminate this Agreement upon one hundred eighty (180) Days notice after such payment reductions to Seller take effect.

12.6. Change in Environmental Law

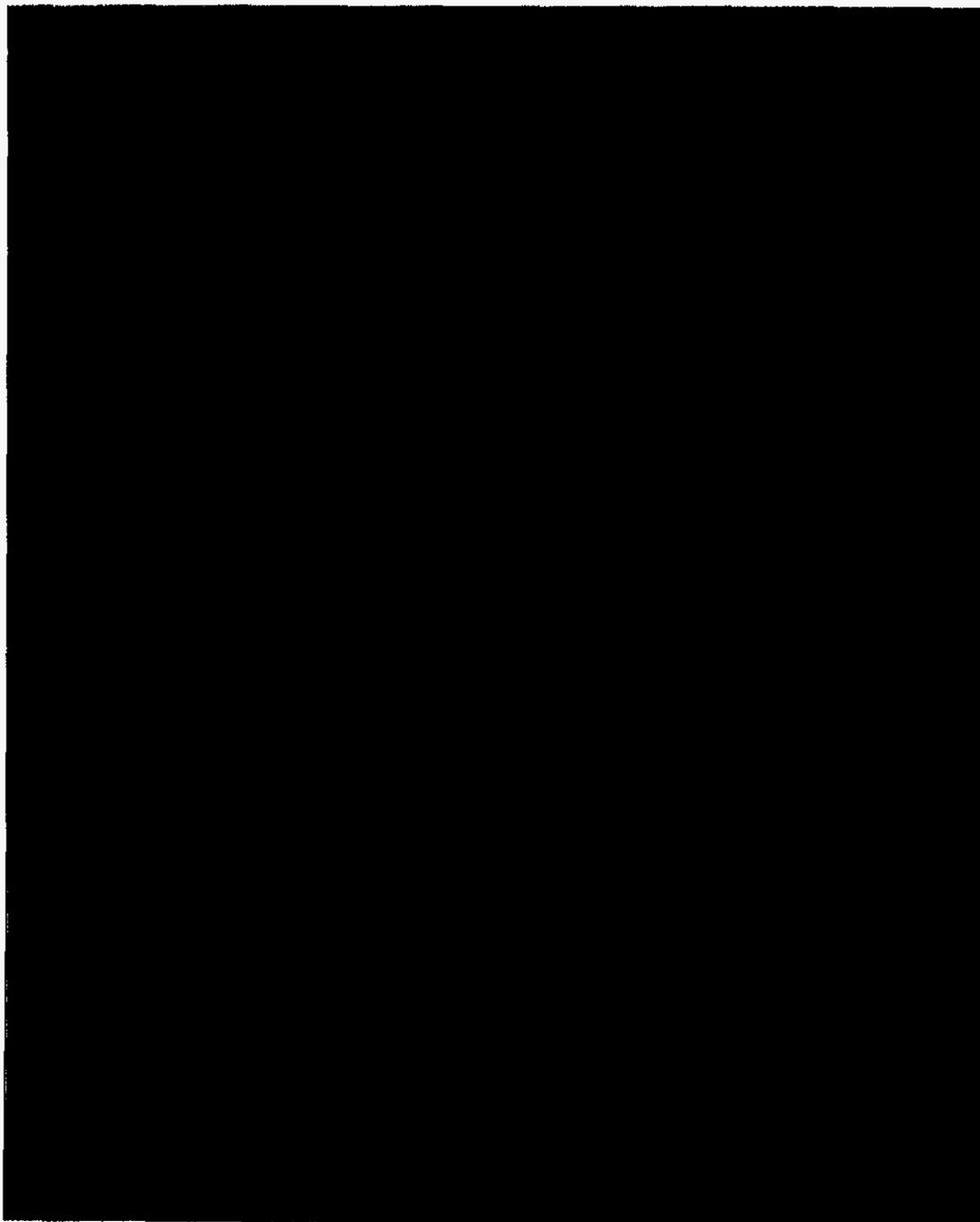
- (a) As used herein, "Change(s) in Environmental Law(s)" means: (i) the enactment, adoption, promulgation, implementation, or issuance of, or a new or changed interpretation of, any statute, rule, regulation, permit, license, judgment, order or approval by a governmental entity that specifically addresses environmental issues and that takes effect after the Effective Date; and (ii) the imposition on a Party by any governmental entity of any requirement with respect to compliance with the Clean Air Interstate Rule promulgated on May 12, 2005 (70 Fed. Reg. 25,162) or the Clean Air Mercury Rule promulgated on May 18, 2005 (70 Fed. Reg. 28,606) and any re-promulgation or re-issuance of such rules in response to a petition for reconsideration or litigation challenging such rules, regardless of the date on which such requirements are imposed.
- (b) The Parties acknowledge that Change(s) in Environmental Law(s) could significantly increase the costs of complying with the terms of this Agreement ("Increased Environmental Costs") and agree that, if any Change(s) in Environmental Law(s) should increase(s) a Party's cost of performing its obligations under this Agreement above the threshold amount set forth in Section 12.6(c) below, the Party affected by such Change(s) in Environmental Law(s) may avail itself of the remedies set forth in Section 12.6(d) below as its sole and exclusive remedies for such Change(s) in Environmental Law(s).
- (c) The Parties recognize and agree that certain Change(s) in Environmental Law(s) may occur that do not rise to a level that the Parties desire to impact this Agreement. Accordingly, the Parties agree that for the purposes of this Agreement, Change(s) in Environmental Law(s) will not be deemed to have occurred unless the Increased Environmental Costs resulting from any single such Change(s) in Environmental Law(s) exceed [REDACTED] in the aggregate during the Term. Notwithstanding the foregoing, Seller shall be responsible for any and all costs relating to the operation and maintenance of the Facility, including, without limitation, environmental compliance costs.
- (d) If a Party's Increased Environmental Costs should demonstrably exceed the threshold requirements set forth in Section 12.6(c) above, the Parties may renegotiate the terms of this Agreement. In the event the non-affected Party does not agree, in its sole discretion, to renegotiate this Agreement, then the affected Party may terminate this Agreement upon one hundred and eighty (180) Days written notice to the other Party in the manner provided for in Section 18.3.

12.7. Survival on Termination

The provisions of this Section 12 shall survive the repudiation, termination or expiration of this Agreement for so long as may be necessary to give effect to any outstanding payment obligations of the Parties due and payable prior to any such repudiation, termination or expiration.

APPENDIX 1

FACILITY CONFIGURATION



APPENDIX 4

SELLER'S CORPORATE INFORMATION

Hathaway Renewable Energy, Inc.

Physical Address: 45 Franks Road
Leoma, Lawrence County, Tennessee 38468

Phone: (931) 231-5450

Fax: (931) 852-4160

E-mail: hathawaykw@msn.com

Mailing Address: P.O. Box 356
Leoma, TN 38468-0356

State of Incorporation: Tennessee on October 26, 2009, control #616183

Qualified in Florida: January 26, 2010, control #F10000000444

EIN: [REDACTED]

DUNS: [REDACTED]

CAGE Code: [REDACTED]

CCR Registration: Completed December 23, 2009 good for one year

NAICS: [REDACTED]

SIC: [REDACTED]

Bank of Frankewing, Lawrencburg, TN 38464

RTN: [REDACTED]

ACCT: [REDACTED]

Tax Year: 1 OCT to 30 SEP

ATTACHMENT B

Hathaway Contract #2

(Red-line version)

- (i) Unless otherwise expressly provided for as set forth herein, if any payment, act, matter or thing hereunder would occur on a Day that is not a Business Day, then such payment, act, matter or thing shall, unless otherwise expressly provided for herein, occur on the next succeeding Business Day.
- (j) Where reference is made to an Applicable Law, such reference to give meaning to the intent of the Parties hereto, shall be deemed to include all prior and subsequent enactments, amendments and modifications pertaining thereto.
- (k) Any reference to the word "include" shall be interpreted to mean "including without limitation."

2. TERM

2.1. Term

(a) This Agreement shall be in full force and effect as of the Effective Date and shall continue to remain in full force and effect for a period ending on the date that is Twenty-Five (25) years from the Capacity Commencement Date (the "Term"), unless otherwise extended or terminated earlier in accordance with the provisions of this Agreement, including, without limitation, due to Seller's failure to satisfy the conditions precedents set forth herein.

2.2. QF Status

(a) The continuation of this Agreement is contingent on the Facility achieving and maintaining its status as a Qualifying Facility in accordance with this Agreement. Buyer shall submit this Agreement and related documentation to the FPSC for approval within ten (10) Days of the ~~Execution~~ Effective Date. The Seller agrees and acknowledges that Buyer's obligation to purchase Energy from the Facility is expressly contingent on the Facility meeting the requirements of the Act.

2.3 Regulatory Approvals

(a) The obligations of the Parties hereunder, including but not limited to Buyer's obligation to perform under this Agreement shall be conditioned upon the Buyer obtaining any regulatory approvals it, acting in its sole discretion, deems necessary or desirable, including but not limited to, a final non-appealable order or other regulatory determination from the FPSC that Buyer shall have cost recovery associated with its performance under this Agreement. With respect to the FPSC, Buyer shall petition the FPSC for approvals relating to this Agreement within ten (10) business Days of the Effective Date. Seller agrees to cooperate with and assist Buyer in these efforts as Buyer may reasonably request. If any such regulatory approval is not obtained to Buyer's satisfaction, in its sole discretion, within [REDACTED] of such request, then this Agreement shall terminate upon ten (10) Days notice, with neither Party having any liability under this Agreement and neither Party having any further obligations relating to this Agreement.

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3. CONDITIONS PRECEDENT

3.1. Conditions Precedent

(a) This continuation of this Agreement shall be contingent upon no Event of Default having occurred or continuing, and Seller's ~~satisfaction~~ completion of the following conditions precedent ("Conditions Precedent") to the satisfaction of the Buyer, acting in its sole commercially reasonable discretion, unless expressly waived in writing by Buyer in its sole discretion:

- (i) Seller shall have developed a Buyer-approved plan for the transmission service necessary to deliver Capacity and Energy from the Facility to the Electrical Interconnection Point by [REDACTED];
- (ii) Seller having entered into Financing Documents relative to the construction of the Facility and having achieved Financial Closing by [REDACTED];
- (iii) Seller having entered into the Project Contracts;
- (iv) Seller having obtained insurance policies or coverage in compliance with Section 5 by no later than [REDACTED];
- (v) Seller obtaining Qualifying Facility Status as set forth in Section 2.2 of this Agreement by no later than [REDACTED];

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3.2. Capacity Commencement Date

(a) Seller shall achieve the Capacity Commencement Date on or before the Required Capacity Commencement Date, after which date if the Facility has not achieved Commissioning status then Buyer may terminate this Agreement with fifteen (15) days notice to Seller, but without any further obligation and/or liability to Buyer to perform hereunder.

3.3. Commencement Obligations

- (a) Seller shall ensure that on or before the Test Date:
- (b) the Facility shall have been constructed in accordance with the applicable Project Contracts and Project Consents so that Commissioning may be duly and properly undertaken in accordance with Section 6; and,
- (c) an operable physical connection from the Facility to the Transmission System shall have been effected in accordance with the Electrical Interconnection and Operating Agreement, provided, however, that such physical connection shall be made consistent with the terms hereof.

4. REPRESENTATIONS AND WARRANTIES

Mutual: Each Party represents and warrants to the other Party that as of the Effective Date and throughout the Term of this Agreement that:

- a) It is duly organized, validly existing and in good standing under the Applicable Laws of the jurisdiction of its organization or formation and has all requisite power and authority to execute and enter into this Agreement;
- b) It has all authorizations under the Applicable Laws, necessary for it to legally perform its obligations and consummate the transactions contemplated hereunder or will obtain such authorizations in a timely manner prior to the time that performance by such Party becomes due;
- c) The execution, delivery, and performance of this Agreement will not conflict with or violate any Applicable Law or any contract, agreement or arrangement to which it is a party or by which it is otherwise bound;
- d) This Agreement constitutes a legal, valid, and binding obligation of such Party enforceable against it in accordance with its terms, and such Party has all rights necessary to perform its obligations to the other Party in conformance with the terms and conditions of this Agreement, subject to bankruptcy,

each overhaul of the Facility's turbine, generator and boilers and shall provide results to Buyer in writing prior to returning the equipment to service. The specifics of the unit functional trip test will be consistent with Prudent Utility Practices.

6.9. Security

- (a) As security for the achievement of the Required Capacity Commencement Date and satisfactory performance of its obligations hereunder, Seller shall provide Buyer with either: (i) one or more unconditional, irrevocable, direct pay Letter(s) of Credit (as herein defined), with the costs associated with any such Letter of Credit to be borne by Seller, or (ii) cash deposits in the amounts specified in this Section 6.9.
- (b) As used herein, a "Letter of Credit" ~~(LC)~~ shall mean a standby letter of credit issued by U.S. commercial banks or a foreign banks having a licensed U.S. branch, provided that any such bank shall have a credit rating of at least A- from S&P or A3 from Moody's (the "Issuer") or such other banks that Buyer deems acceptable to Buyer in its sole commercially reasonable discretion based on Buyer's review of such bank's financial condition; and, provided further, that any such letter of credit shall be in a form reasonably acceptable to the Party in favor of whom it is being issued.
- (c) ~~For the period beginning on the latest date by which any appeal could have been (but was not) taken in connection with one year from~~ the final approval of this Agreement by the FPSC and continuing until the term of this contract, ~~twenty-five years after the Capacity Commencement Date~~, Seller shall maintain a Letter of Credit in the amount of [REDACTED].
- (d) Buyer shall have the right and Seller shall be required to monitor the financial condition of the Issuer(s) in the event any Letter of Credit is provided by Seller. In the event the Senior Debt Rating of any Issuer(s) has deteriorated to a level below the level stated in clause (b) of this Section 6.9, Buyer may require Seller to replace the Letter(s) of Credit. Replacement Letter(s) of Credit must meet the requirements listed in clause (b) of this Section 6.9 within ten (10) Days following written notification to Seller of the requirement to replace.
- (e) Failure by Seller to comply with the requirements of this Section 6.9 shall, absent a cure by Seller in accordance with Section 17 hereof, be grounds for Buyer to draw in full on the existing Letter of Credit and will constitute a Seller Remedial Event of Default. ~~In the event of any other Seller Remedial Event, Buyer shall not be entitled to receive, draw upon or retain, as the case may be, any portion of the applicable security until such Seller Remedial Event shall be deemed a Seller Non-Remedial Event, as described in Section 17.1(b)(iii) hereof. In the case of any Seller Non-Remedial Event of Default, Buyer shall be entitled immediately to receive, draw upon or retain, as the case may be, one hundred percent (100%) of the applicable security.~~

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6.10. Submission of Data

- (a) Seller shall submit or cause to be submitted to Buyer the following documents on or before the dates specified below:
 - (i) No later than Thirty (30) Days after the Financial Closing Date and ending on the Capacity Commencement Date, (A) monthly construction progress reports in such form as may be agreed to by the Parties, (B) such other reports as are submitted to Seller by the Independent Engineer, and (C) reports, when and as Seller becomes aware, of any

- (d) If Buyer elects to reduce payments to Seller pursuant to this Section, Seller may terminate this Agreement upon one hundred eighty (180) Days notice; ~~provided, however, that Seller gives Buyer written notice of said termination within one hundred eighty (180) Days after such payment reductions to Seller take effect.~~

12.8.12.6. Change in Environmental Law

- (a) As used herein, "Change(s) in Environmental Law(s)" means: (i) the enactment, adoption, promulgation, implementation, or issuance of, or a new or changed interpretation of, any statute, rule, regulation, permit, license, judgment, order or approval by a governmental entity that specifically addresses environmental issues and that takes effect after the Effective Date; and (ii) the imposition on a Party by any governmental entity of any requirement with respect to compliance with the Clean Air Interstate Rule promulgated on May 12, 2005 (70 Fed. Reg. 25,162) or the Clean Air Mercury Rule promulgated on May 18, 2005 (70 Fed. Reg. 28,606) and any re-promulgation or re-issuance of such rules in response to a petition for reconsideration or litigation challenging such rules, regardless of the date on which such requirements are imposed.
- (b) The Parties acknowledge that Change(s) in Environmental Law(s) could significantly increase the costs of complying with the terms of this Agreement ("Increased Environmental Costs") and agree that, if any Change(s) in Environmental Law(s) should increase(s) a Party's cost of performing its obligations under this Agreement above the ~~Threshold~~ threshold amount set forth in Section 12.96(c) below, the Party affected by such Change(s) in Environmental Law(s) may avail itself of the remedies set forth in Section 12.96(d) below as its sole and exclusive remedies for such Change(s) in Environmental Law(s).
- (c) The Parties recognize and agree that certain Change(s) in Environmental Law(s) may occur that do not rise to a level that the Parties desire to impact this Agreement. Accordingly, the Parties agree that for the purposes of this Agreement, Change(s) in Environmental Law(s) will not be deemed to have occurred unless the Increased Environmental Costs resulting from any single such Change(s) in Environmental Law(s) exceed [REDACTED] in the aggregate during the Term ~~(the "Threshold")~~. Notwithstanding the foregoing, Seller shall be responsible for any and all costs relating to the operation and maintenance of the Facility, including, without limitation, environmental compliance costs.
- (d) If a Party's Increased Environmental Costs should demonstrably exceed the ~~Threshold~~ threshold requirements set forth in Section 12.96(c) above, the Parties may renegotiate the terms of this Agreement. In the event the non-affected Party does not agree, in its sole discretion, to renegotiate this Agreement, then the affected Party may terminate this Agreement upon one hundred and eighty (180) Days written notice to the other Party in the manner provided for in Section 18.3.

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12.9.12.7. Survival on Termination

The provisions of this Section 12 shall survive the repudiation, termination or expiration of this Agreement for so long as may be necessary to give effect to any outstanding payment obligations of the Parties due and payable prior to any such repudiation, termination or expiration.

APPENDIX 1

FACILITY CONFIGURATION



APPENDIX 54

SELLER'S CORPORATE INFORMATION

Hathaway Renewable Energy, Inc.

Physical Address: 45 Franks Road
Leoma, Lawrence County, Tennessee 38468
Phone: (931) 231-5450
Fax: (931) 852-4160
E-mail: hathawaykw@msn.com

Mailing Address: P.O. Box 356
Leoma, TN 38468-0356

State of Incorporation: Tennessee on October 26, 2009, control #616183

Qualified in Florida: January 26, 2010, control #F10000000444

EIN: [REDACTED]

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DUNS: [REDACTED]

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CAGE Code: [REDACTED]

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CCR Registration: Completed December 23, 2009 good for one year

NAICS: [REDACTED]

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SIC: [REDACTED]

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Bank of Frankewing, Lawrencburg, TN 38464

RTN: [REDACTED]

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ACCT: [REDACTED]

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Tax Year: 1 OCT to 30 SEP

ATTACHMENT A

Hathaway Contract #3

(Clean Copy)

- (h) A reference to a document, code, contract or agreement, including this Agreement, includes a reference to that document, code, contract or agreement as novated, amended, modified, revised, supplemented, replaced or restated from time to time in accordance with the relevant provisions thereof.
- (i) Unless otherwise expressly provided for as set forth herein, if any payment, act, matter or thing hereunder would occur on a Day that is not a Business Day, then such payment, act, matter or thing shall, unless otherwise expressly provided for herein, occur on the next succeeding Business Day.
- (j) Where reference is made to an Applicable Law, such reference to give meaning to the intent of the Parties hereto, shall be deemed to include all prior and subsequent enactments, amendments and modifications pertaining thereto.
- (k) Any reference to the word "include" shall be interpreted to mean "including without limitation."

2. TERM

2.1. Term

This Agreement shall be in full force and effect as of the Effective Date and shall continue to remain in full force and effect for a period ending on the date that is Twenty-Five (25) years from the Capacity Commencement Date (the "Term"), unless otherwise extended or terminated earlier in accordance with the provisions of this Agreement, including, without limitation, due to Seller's failure to satisfy the conditions precedents set forth herein.

2.2. QF Status

The continuation of this Agreement is contingent on the Facility achieving and maintaining its status as a Qualifying Facility in accordance with this Agreement. Buyer shall submit this Agreement and related documentation to the FPSC for approval within ten (10) Days of the Effective Date. The Seller agrees and acknowledges that Buyer's obligation to purchase Energy from the Facility is expressly contingent on the Facility meeting the requirements of the Act.

2.3 Regulatory Approvals

(a) The obligations of the Parties hereunder, including but not limited to Buyer's obligation to perform under this Agreement shall be conditioned upon the Buyer obtaining any regulatory approvals it, acting in its sole discretion, deems necessary or desirable, including but not limited to, a final non-appealable order or other regulatory determination from the FPSC that Buyer shall have cost recovery associated with its performance under this Agreement. With respect to the FPSC, Buyer shall petition the FPSC for approvals relating to this Agreement within ten (10) business Days of the Effective Date. Seller agrees to cooperate with and assist Buyer in these efforts as Buyer may reasonably request. If any such regulatory approval is not obtained to Buyer's satisfaction, in its sole discretion, within [REDACTED] of such request, then this Agreement shall terminate upon ten (10) Days notice, with neither Party having any liability under this Agreement and neither Party having any further obligations relating to this Agreement.

3. CONDITIONS PRECEDENT

3.1. Conditions Precedent

This continuation of this Agreement shall be contingent upon no Event of Default having occurred or continuing, and Seller's completion of the following conditions precedent ("Conditions Precedent") to the

satisfaction of the Buyer, acting in Buyer's sole commercially reasonable discretion, unless expressly waived in writing by Buyer in its sole discretion:

- (i) Seller shall have developed a Buyer-approved plan for the transmission service necessary to deliver Capacity and Energy from the Facility to the Electrical Interconnection Point by [REDACTED];
- (ii) Seller having entered into Financing Documents relative to the construction of the Facility and having achieved Financial Closing by [REDACTED];
- (iii) Seller having entered into the Project Contracts;
- (iv) Seller having obtained insurance policies or coverage in compliance with Section 5 by no later than [REDACTED];
- (v) Seller obtaining Qualifying Facility Status as set forth in Section 2.2 of this Agreement by no later than [REDACTED].

3.2. Capacity Commencement Date

Seller shall achieve the Capacity Commencement Date on or before the Required Capacity Commencement Date, after which date if the Facility has not achieved Commissioning status then Buyer may terminate this Agreement with fifteen (15) days notice to Seller, but without any further obligation and/or liability to Buyer to perform hereunder.

3.3. Commencement Obligations

Seller shall ensure that on or before the Test Date:

- (a) the Facility shall have been constructed in accordance with the applicable Project Contracts and Project Consents so that Commissioning may be duly and properly undertaken in accordance with Section 6; and,
- (b) an operable physical connection from the Facility to the Transmission System shall have been effected in accordance with the Electrical Interconnection and Operating Agreement, provided, however, that such physical connection shall be made consistent with the terms hereof.

4. REPRESENTATIONS AND WARRANTIES

Mutual: Each Party represents and warrants to the other Party that as of the Effective Date and throughout the Term of this Agreement that:

- a) It is duly organized, validly existing and in good standing under the Applicable Laws of the jurisdiction of its organization or formation and has all requisite power and authority to execute and enter into this Agreement;
- b) It has all authorizations under the Applicable Laws, necessary for it to legally perform its obligations and consummate the transactions contemplated hereunder or will obtain such authorizations in a timely manner prior to the time that performance by such Party becomes due;
- c) The execution, delivery, and performance of this Agreement will not conflict with or violate any Applicable Law or any contract, agreement or arrangement to which it is a party or by which it is otherwise bound;
- d) This Agreement constitutes a legal, valid, and binding obligation of such Party enforceable against it in

shall have qualified independent, third party personnel test, calibrate and certify in writing the proper functioning of all protective equipment at least once every twelve (12) months in accordance with Prudent Utility Practices. Seller shall perform a unit functional trip test after each overhaul of the Facility's turbine, generator and boilers and shall provide results to Buyer in writing prior to returning the equipment to service. The specifics of the unit functional trip test will be consistent with Prudent Utility Practices.

6.9. Security

- (a) As security for the achievement of the Required Capacity Commencement Date and satisfactory performance of its obligations hereunder, Seller shall provide Buyer with either: (i) one or more unconditional, irrevocable, direct pay Letter(s) of Credit (as herein defined), with the costs associated with any such Letter of Credit to be borne by Seller, or (ii) cash deposits in the amounts specified in this Section 6.9.
- (b) As used herein, a "Letter of Credit" shall mean a standby letter of credit issued by U.S. commercial banks or a foreign banks having a licensed U.S. branch, provided that any such bank shall have a credit rating of at least A- from S&P or A3 from Moody's (the "Issuer") or such other banks that Buyer deems acceptable to Buyer in its sole commercially reasonable discretion based on Buyer's review of such bank's financial condition; and, provided further, that any such letter of credit shall be in a form reasonably acceptable to the Party in favor of whom it is being issued.
- (c) For the period beginning one year from the final approval of this Agreement by the FPSC and continuing until the term of this contract, twenty-five years after the Capacity Commencement Date, Seller shall maintain a Letter of Credit in the amount of [REDACTED].
- (d) Buyer shall have the right and Seller shall be required to monitor the financial condition of the Issuer(s) in the event any Letter of Credit is provided by Seller. In the event the Senior Debt Rating of any Issuer(s) has deteriorated to a level below the level stated in clause (b) of this Section 6.9, Buyer may require Seller to replace the Letter(s) of Credit. Replacement Letter(s) of Credit must meet the requirements listed in clause (b) of this Section 6.9 within ten (10) Days following written notification to Seller of the requirement to replace.
- (e) Failure by Seller to comply with the requirements of this Section 6.9 shall, absent a cure by Seller in accordance with Section 17 hereof, be grounds for Buyer to draw in full on the existing Letter of Credit and will constitute a Event of Default. In the case of any Seller Event of Default, Buyer shall be entitled immediately to receive, draw upon or retain, as the case may be, one hundred percent (100%) of the applicable security.

6.10. Submission of Data

- (a) Seller shall submit or cause to be submitted to Buyer the following documents on or before the dates specified below:
 - (i) No later than Thirty (30) Days after the Financial Closing Date and ending on the Capacity Commencement Date, (A) monthly construction progress reports in such form as may be agreed to by the Parties, (B) such other reports as are submitted to Seller by the Independent Engineer, and (C) reports, when and as Seller becomes aware, of any new condition or event that may have a material adverse effect on the timely completion of the Facility.

such Change(s) in Environmental Law(s) exceed [REDACTED] in the aggregate during the Term. Notwithstanding the foregoing, Seller shall be responsible for any and all costs relating to the operation and maintenance of the Facility, including, without limitation, environmental compliance costs.

- (d) If a Party's Increased Environmental Costs should demonstrably exceed the threshold requirements set forth in Section 12.6(c) above, the Parties may renegotiate the terms of this Agreement. In the event the non-affected Party does not agree, in its sole discretion, to renegotiate this Agreement, then the affected Party may terminate this Agreement upon one hundred and eighty (180) Days written notice to the other Party in the manner provided for in Section 18.3.

12.7. Survival on Termination

The provisions of this Section 12 shall survive the repudiation, termination or expiration of this Agreement for so long as may be necessary to give effect to any outstanding payment obligations of the Parties due and payable prior to any such repudiation, termination or expiration.

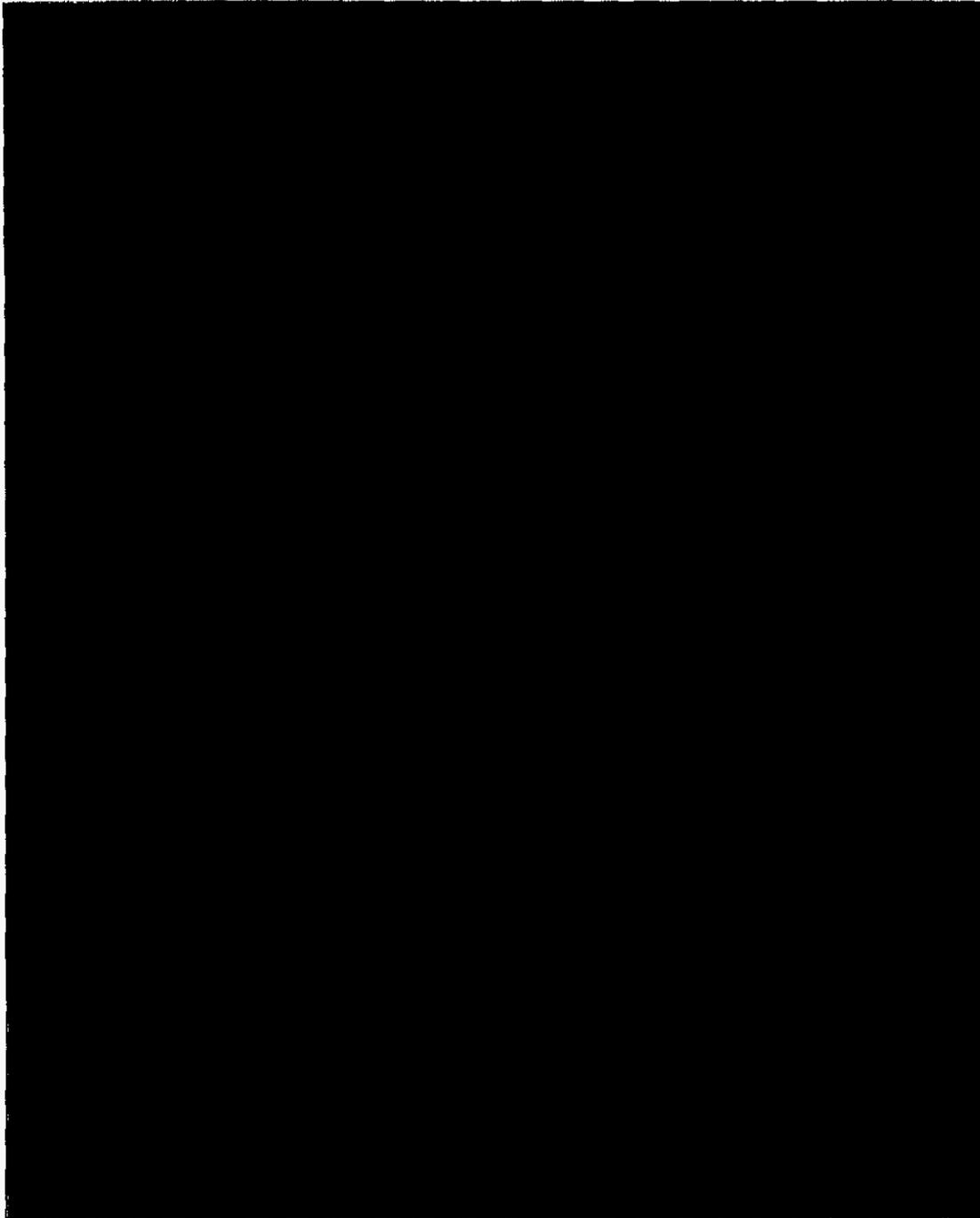
13. BILLING AND PAYMENT

13.1. Statements and Payment of Electricity Payments

- (a) Buyer shall read or have read on its behalf the Metering Equipment at the Electrical Interconnection Point at midnight Eastern Prevailing Time on the last Day of each Month, unless otherwise mutually agreed by the Parties.
- (b) Payments due shall be determined and adjusted in accordance with Section 12.1, Appendixes 2 and 3.
 - (i) From and after the Capacity Commencement Date, Buyer shall pay to Seller, monthly in arrears, payments in accordance with the provisions of clause (c) below.
 - (ii) Prior to the Capacity Commencement Date, Buyer shall pay to Seller, monthly in arrears in accordance with the provisions of clause (d) below, for all Energy delivered to Buyer.
- (c) On or before the twentieth (20th) Business Day of each Month following the Month in which the Capacity Commencement Date occurs Buyer shall prepare an invoice showing the Payment payable by Buyer pursuant to this Agreement (in Dollars) to Seller for the preceding Month. Each such invoice shall show information and calculations, in reasonable detail.
- (d) Beginning with the first Month following the Month in which the first unit of the Facility has been Commissioned until an invoice is required to be prepared pursuant to clause (c) aforementioned, Buyer shall prepare an invoice showing the charges for Energy payable to Seller for the preceding Month in accordance with FPSC Rule 25-17.0825, F.A.C., which invoice shall show information and calculations in reasonable detail.
- (e) Buyer shall, subject to Section 13.7, pay all invoices on or before the twentieth Business Day of the month. If Buyer should dispute a portion of the charges set forth on any invoice, it shall pay only those amounts not in dispute by the applicable Due Date.

APPENDIX 1

FACILITY CONFIGURATION



APPENDIX 4

SELLER'S CORPORATE INFORMATION

Hathaway Renewable Energy, Inc.

Physical Address: 45 Franks Road
Leoma, Lawrence County, Tennessee 38468

Phone: (931) 231-5450

Fax: (931) 852-4160

E-mail: hathawaykw@msn.com

Mailing Address: P.O. Box 356
Leoma, TN 38468-0356

State of Incorporation: Tennessee on October 26, 2009, control #616183

Qualified in Florida: January 26, 2010, control #F10000000444

EIN: [REDACTED]

DUNS: [REDACTED]

CAGE Code: [REDACTED]

CCR Registration: Completed December 23, 2009 good for one year

NAICS: [REDACTED]

SIC: [REDACTED]

Bank of Frankewing, Lawrencburg, TN 38464

RTN: [REDACTED]

ACCT: [REDACTED]

Tax Year: 1 OCT to 30 SEP

ATTACHMENT B

Hathaway Contract #3

(Red-line version)

- (i) Unless otherwise expressly provided for as set forth herein, if any payment, act, matter or thing hereunder would occur on a Day that is not a Business Day, then such payment, act, matter or thing shall, unless otherwise expressly provided for herein, occur on the next succeeding Business Day.
- (j) Where reference is made to an Applicable Law, such reference to give meaning to the intent of the Parties hereto, shall be deemed to include all prior and subsequent enactments, amendments and modifications pertaining thereto.
- (k) Any reference to the word "include" shall be interpreted to mean "including without limitation."

2. TERM

2.1. Term

This Agreement shall be in full force and effect as of the Effective Date and shall continue to remain in full force and effect for a period ending on the date that is Twenty-Five (25) years from the Capacity Commencement Date (the "Term"), unless otherwise extended or terminated earlier in accordance with the provisions of this Agreement, including, without limitation, due to Seller's failure to satisfy the conditions precedents set forth herein.

2.2. QF Status

The continuation of this Agreement is contingent on the Facility achieving and maintaining its status as a Qualifying Facility in accordance with this Agreement. Buyer shall submit this Agreement and related documentation to the FPSC for approval within ten (10) Days of the ~~Execution~~ Effective Date. The Seller agrees and acknowledges that Buyer's obligation to purchase Energy from the Facility is expressly contingent on the Facility meeting the requirements of the Act.

2.3 Regulatory Approvals

(a) The obligations of the Parties hereunder, including but not limited to Buyer's obligation to perform under this Agreement shall be conditioned upon the Buyer obtaining any regulatory approvals it, acting in its sole discretion, deems necessary or desirable, including but not limited to, a final non-appealable order or other regulatory determination from the FPSC that Buyer shall have cost recovery associated with its performance under this Agreement. With respect to the FPSC, Buyer shall petition the FPSC for approvals relating to this Agreement within ten (10) business Days of the Effective Date. Seller agrees to cooperate with and assist Buyer in these efforts as Buyer may reasonably request. If any such regulatory approval is not obtained to Buyer's satisfaction, in its sole discretion, within [REDACTED] of such request, then this Agreement shall terminate upon ten (10) Days notice, with neither Party having any liability under this Agreement and neither Party having any further obligations relating to this Agreement.

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3. CONDITIONS PRECEDENT

3.1. Conditions Precedent

This continuation of this Agreement shall be contingent upon no Event of Default having occurred or continuing, and Seller's satisfaction completion of the following conditions precedent ("Conditions Precedent") to the satisfaction of the Buyer, acting in its Buyer's sole commercially reasonable discretion, unless expressly waived in writing by Buyer in its sole discretion:

- (i) Seller shall have developed a Buyer-approved plan for the transmission service necessary to deliver Capacity and Energy from the Facility to the Electrical Interconnection Point by [REDACTED];
- (ii) Seller having entered into Financing Documents relative to the construction of the Facility and having achieved Financial Closing by [REDACTED];
- (iii) Seller having entered into the Project Contracts;
- (iv) Seller having obtained insurance policies or coverage in compliance with Section 5 by no later than [REDACTED];
- (v) Seller obtaining Qualifying Facility Status as set forth in Section 2.2 of this Agreement by no later than [REDACTED];

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3.2. Capacity Commencement Date

Seller shall achieve the Capacity Commencement Date on or before the Required Capacity Commencement Date, after which date if the Facility has not achieved Commissioning status then Buyer may terminate this Agreement with fifteen (15) days notice to Seller, but without any further obligation and/or liability to Buyer to perform hereunder.

3.3. Commencement Obligations

Seller shall ensure that on or before the Test Date:

- (a) the Facility shall have been constructed in accordance with the applicable Project Contracts and Project Consents so that Commissioning may be duly and properly undertaken in accordance with Section 6; and,
- (b) an operable physical connection from the Facility to the Transmission System shall have been effected in accordance with the Electrical Interconnection and Operating Agreement, provided, however, that such physical connection shall be made consistent with the terms hereof.

4. REPRESENTATIONS AND WARRANTIES

Mutual: Each Party represents and warrants to the other Party that as of the Effective Date and throughout the Term of this Agreement that:

- a) It is duly organized, validly existing and in good standing under the Applicable Laws of the jurisdiction of its organization or formation and has all requisite power and authority to execute and enter into this Agreement;
- b) It has all authorizations under the Applicable Laws, necessary for it to legally perform its obligations and consummate the transactions contemplated hereunder or will obtain such authorizations in a timely manner prior to the time that performance by such Party becomes due;
- c) The execution, delivery, and performance of this Agreement will not conflict with or violate any Applicable Law or any contract, agreement or arrangement to which it is a party or by which it is otherwise bound;
- d) This Agreement constitutes a legal, valid, and binding obligation of such Party enforceable against it in accordance with its terms, and such Party has all rights necessary to perform its obligations to the other Party in conformance with the terms and conditions of this Agreement, subject to bankruptcy, insolvency, reorganization and other laws affecting creditor's rights generally and general principles of

each overhaul of the Facility's turbine, generator and boilers and shall provide results to Buyer in writing prior to returning the equipment to service. The specifics of the unit functional trip test will be consistent with Prudent Utility Practices.

6.9. Security

- (a) As security for the achievement of the Required Capacity Commencement Date and satisfactory performance of its obligations hereunder, Seller shall provide Buyer with either: (i) one or more unconditional, irrevocable, direct pay Letter(s) of Credit (as herein defined), with the costs associated with any such Letter of Credit to be borne by Seller, or (ii) cash deposits in the amounts specified in this Section 6.9.
- (b) As used herein, a "Letter of Credit" (LC) shall mean a standby letter of credit issued by U.S. commercial banks or a foreign banks having a licensed U.S. branch, provided that any such bank shall have a credit rating of at least A- from S&P or A3 from Moody's (the "Issuer") or such other banks that Buyer deems acceptable to Buyer in its sole commercially reasonable discretion based on Buyer's review of such bank's financial condition; and, provided further, that any such letter of credit shall be in a form reasonably acceptable to the Party in favor of whom it is being issued.
- (c) For the period beginning on the latest date by which any appeal could have been (but was not) taken in connection with one year from the final approval of this Agreement by the FPSC and continuing until the term of this contract, twenty-five years after the Capacity Commencement Date, Seller shall maintain a Letter of Credit in the amount of [REDACTED].
- (d) Buyer shall have the right and Seller shall be required to monitor the financial condition of the Issuer(s) in the event any Letter of Credit is provided by Seller. In the event the Senior Debt Rating of any Issuer(s) has deteriorated to a level below the level stated in clause (b) of this Section 6.9, Buyer may require Seller to replace the Letter(s) of Credit. Replacement Letter(s) of Credit must meet the requirements listed in clause (b) of this Section 6.9 within ten (10) Days following written notification to Seller of the requirement to replace.
- (e) Failure by Seller to comply with the requirements of this Section 6.9 shall, absent a cure by Seller in accordance with Section 17 hereof, be grounds for Buyer to draw in full on the existing Letter of Credit and will constitute a Seller Remedial-Event of Default. In the event of any other Seller Remedial Event, Buyer shall not be entitled to receive, draw upon or retain, as the case may be, any portion of the applicable security until such Seller Remedial Event shall be deemed a Seller Non-Remedial Event, as described in Section 17.1(b)(iii) hereof. In the case of any Seller Non-Remedial-Event of Default, Buyer shall be entitled immediately to receive, draw upon or retain, as the case may be, one hundred percent (100%) of the applicable security.

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6.10. Submission of Data

- (a) Seller shall submit or cause to be submitted to Buyer the following documents on or before the dates specified below:
 - (i) No later than Thirty (30) Days after the Financial Closing Date and ending on the Capacity Commencement Date, (A) monthly construction progress reports in such form as may be agreed to by the Parties, (B) such other reports as are submitted to Seller by the Independent Engineer, and (C) reports, when and as Seller becomes aware, of any

~~Buyer written notice of said termination within one hundred eighty (180) Days after such payment reductions to Seller take effect.~~

~~12.8;12.6.~~ **Change in Environmental Law**

- (a) As used herein, "Change(s) in Environmental Law(s)" means: (i) the enactment, adoption, promulgation, implementation, or issuance of, or a new or changed interpretation of, any statute, rule, regulation, permit, license, judgment, order or approval by a governmental entity that specifically addresses environmental issues and that takes effect after the Effective Date; and (ii) the imposition on a Party by any governmental entity of any requirement with respect to compliance with the Clean Air Interstate Rule promulgated on May 12, 2005 (70 Fed. Reg. 25,162) or the Clean Air Mercury Rule promulgated on May 18, 2005 (70 Fed. Reg. 28,606) and any re-promulgation or re-issuance of such rules in response to a petition for reconsideration or litigation challenging such rules, regardless of the date on which such requirements are imposed.
- (b) The Parties acknowledge that Change(s) in Environmental Law(s) could significantly increase the costs of complying with the terms of this Agreement ("Increased Environmental Costs") and agree that, if any Change(s) in Environmental Law(s) should increase(s) a Party's cost of performing its obligations under this Agreement above the ~~Threshold~~ threshold amount set forth in Section 12.96(c) below, the Party affected by such Change(s) in Environmental Law(s) may avail itself of the remedies set forth in Section 12.96(d) below as its sole and exclusive remedies for such Change(s) in Environmental Law(s).
- (c) The Parties recognize and agree that certain Change(s) in Environmental Law(s) may occur that do not rise to a level that the Parties desire to impact this Agreement. Accordingly, the Parties agree that for the purposes of this Agreement, Change(s) in Environmental Law(s) will not be deemed to have occurred unless the Increased Environmental Costs resulting from any single such Change(s) in Environmental Law(s) exceed [REDACTED] in the aggregate during the Term ~~(the "Threshold")~~. Notwithstanding the foregoing, Seller shall be responsible for any and all costs relating to the operation and maintenance of the Facility, including, without limitation, environmental compliance costs.
- (d) If a Party's Increased Environmental Costs should demonstrably exceed the ~~Threshold~~ threshold requirements set forth in Section 12.96(c) above, the Parties may renegotiate the terms of this Agreement. In the event the non-affected Party does not agree, in its sole discretion, to renegotiate this Agreement, then the affected Party may terminate this Agreement upon one hundred and eighty (180) Days written notice to the other Party in the manner provided for in Section 18.3.

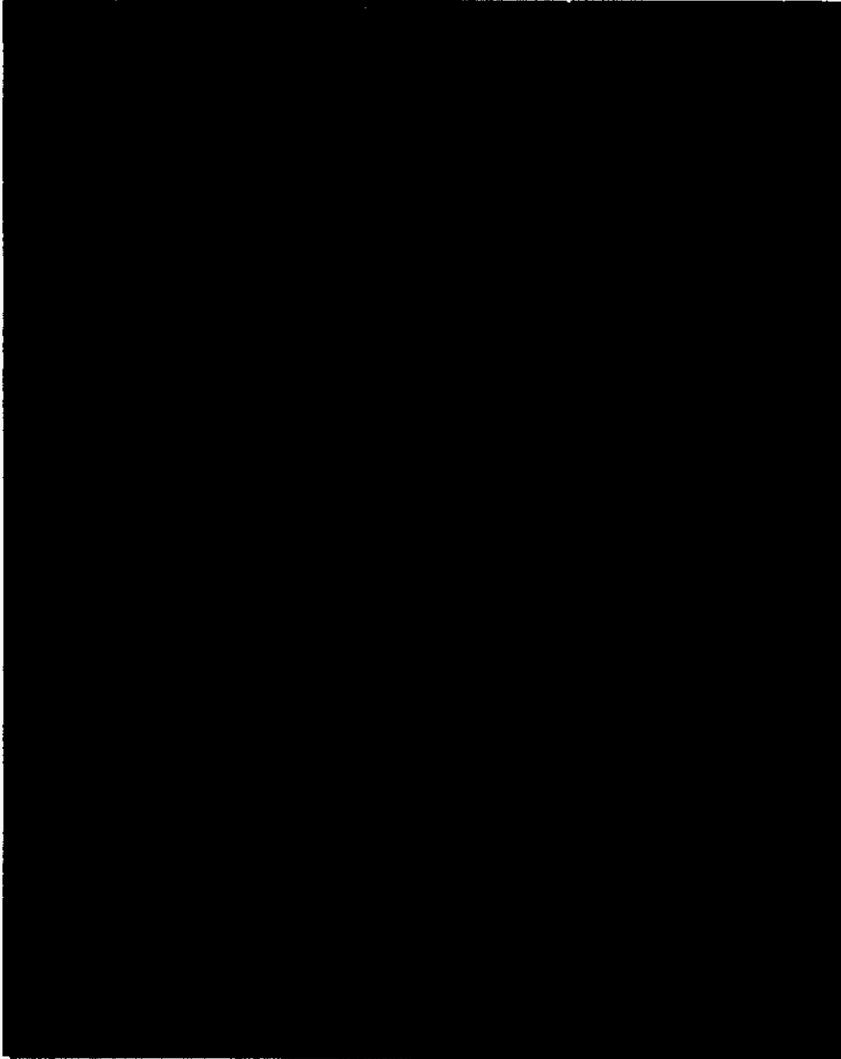
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~~12.9;12.7.~~ **Survival on Termination**

The provisions of this Section 12 shall survive the repudiation, termination or expiration of this Agreement for so long as may be necessary to give effect to any outstanding payment obligations of the Parties due and payable prior to any such repudiation, termination or expiration.

APPENDIX 1

FACILITY CONFIGURATION



APPENDIX 54

SELLER'S CORPORATE INFORMATION

Hathaway Renewable Energy, Inc.

Physical Address: 45 Franks Road
Leoma, Lawrence County, Tennessee 38468
Phone: (931) 231-5450
Fax: (931) 852-4160
E-mail: hathawaykw@msn.com

Mailing Address: P.O. Box 356
Leoma, TN 38468-0356

State of Incorporation: Tennessee on October 26, 2009, control #616183

Qualified in Florida: January 26, 2010, control #F1000000444

EIN: [REDACTED]

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DUNS: [REDACTED]

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CAGE Code: [REDACTED]

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CCR Registration: Completed December 23, 2009 good for one year

NAICS: [REDACTED]

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SIC: [REDACTED]

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Bank of Frankewing, Lawrencburg, TN 38464

RTN: [REDACTED]

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ACCT: [REDACTED]

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Tax Year: 1 OCT to 30 SEP