

POWER PURCHASE AGREEMENT
Executed by
CITY OF WAYNE NEBRASKA
And
RENEWABLE ENERGY DEVELOPMENT, LLC
(Wayne Industrial Park Wind Project)

Index to Sections

Section	Page
1. Definitions	3
2. Term	5
(a) Effectiveness; Basic Term	5
(b) Survival of Terms and Conditions	6
(c) Purchase of Facility.....	6
3. Exhibits	6
4. Facility Description	6
(a) Summary Description.....	6
(b) Site	6
(c) General Design and Construction of the Facility.....	6
5. Interconnection Facilities and Metering	6
(a) Interconnection Facilities Agreement	6
(b) Delivery Arrangements Agreement	7
(c) Other Provisions Related to Interconnection	7
6. Obligation to Sell and Purchase Energy Output	9
(a) Conditional Obligation to Purchase	9
(b) Sale and Purchase.....	9
(c) Point of Delivery.....	9
(d) Exception.....	9
(e) Exclusions.....	10
7. Payment for Energy Output	10
(a) Price for Energy Output Prior to the Completion Date	10
(b) Price for Energy Output after the Completion Date.....	10
8. Billing and Payment	10
(a) Billing Statement and Invoices	10
(b) Metered Billing Data.....	11
(c) Payment Dates; Late Payments.....	11
(d) Billing Disputes	11
9. Operations and Maintenance	11
(a) Conditions Precedent to Facility Completion Date.....	11
10. Default and Termination	11
(a) Events of Default of Seller	11
(b) Events of Default of CITY	12
(c) Termination for Cause.....	13
(d) No Consequential Damages.....	13
11. [RESERVED]	13
12. Contract Administration and Notices	13
(a) Notices.....	13
(b) Representative for Notice	14
(c) Authority of Representatives	14
(d) Operating Records.....	14
(e) Billing and Payment Records	14
(f) Examination of Records	14

13. Dispute Resolution	14
14. Force Majeure	15
(a) Definition of Force Majeure	15
(b) Applicability of Force Majeure.....	16
(c) Limitations on Effect of Force Majeure	16
(d) Delays Attributable to CITY	16
15. Representations and Warranties	17
(a) Seller's Representations and Warranties	17
(b) CITY's Representations and Warranties	17
16. Insurance and Indemnity	18
(a) Evidence of Insurance	18
(b) Limitation on Liability	18
17. Regulatory Jurisdiction and Compliance	19
(a) Governmental Jurisdiction and Regulatory Compliance	19
(b) Provision of Support	19
18. Assignment and Other Transfer Restrictions	19
(a) No Assignment Without Consent	19
19. Confidential Information	19
(a) Availability	19
(b) Designation	20
(c) Obligations	20
(d) Conditions and Restrictions	20
(e) Exceptions	20
(f) Term of Obligations	20
20. Miscellaneous	21
(a) Waiver	21
(b) Taxes	21
(c) Disclaimer of Third Party Beneficiary Rights	21
(d) Relationship of the Parties	21
(e) Survival of Obligations	21
(f) Severability	21
(g) Interpretation.....	21
(h) Complete Agreement; Amendments	22
(i) Binding Effect.....	22
(j) Headings	22
(k) Counterparts.....	22
(l) Choice of Law.....	22
(m) Equal Employment Opportunity Compliance Certification	22
EXHIBIT A	23
EXHIBIT B	26
EXHIBIT C	27

This POWER PURCHASE AGREEMENT (this "Agreement") is executed by and between RENEWABLE ENERGY DEVELOPMENT, LLC ("Seller"), and the CITY OF WAYNE NEBRASKA ("CITY"). Both Seller and CITY are sometimes referred to herein individually as "Party" and collectively as "Parties."

WHEREAS Seller desires to construct, own, and operate a wind powered electric generating plant to be located in Wayne, Nebraska.

WHEREAS, Seller desires to sell to the City of Wayne Nebraska all of the Energy Output generated by the Facility (as defined below), and CITY desires to buy the same from Seller.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the sufficiency and adequacy of which are hereby acknowledged, the Parties agree to the following:

1. Definitions

The terms listed in this Section shall have the meanings set forth herein whenever the terms appear in this Agreement, whether in the singular or the plural or in the present or past tense. The plain meaning of terms not listed in this Section and otherwise used in this Agreement shall apply, unless such unlisted terms have meanings as commonly used in Good Utility Industry Practice, in which case the Good Utility Industry Practice meaning shall apply. [definitions not used should be deleted, e.g. (a) (w)]

- (a) "Actual Average Annual Output" means the actual amount of average annual Energy Output generated by the Facility during any given 24-month rolling.
- (b) "Availability Factor" means the number of hours the Facility was in service and ready during the preceding twelve (12) month period to generate Energy Output in accordance with Good Utility Industry Practice, divided by 8,760 hours.
- (c) "Wayne Industrial Park Wind Turbine(s)" mean each and all of those two (2), Nordic Wind power, Inc. 1 MW N1000 wind turbine generators, or a reasonably acceptable replacement or substitute therefor, which constitute part of the Facility and are dedicated to producing Energy Output for sale to CITY pursuant to this Agreement.
- (d) "Business Day" means each Monday through and including Friday during the term of this Agreement other than nationally recognized holidays.
- (e) "Commercial Operation" means when a particular Wayne Industrial Park Wind Turbine in the Facility is ready for regular, daily operation, has been connected to the Grid, and is capable of producing Energy Output in accordance with Good Utility Industry Practice, all as certified in writing by Seller to CITY.
- (f) "Commercial Operation Date" means, with respect to a particular Wayne Industrial Park Wind Turbine, the first day on which Commercial Operation occurs.
- (g) "Commission(s)" means any of the state or Federal regulatory agencies having jurisdiction over CITY or Seller including, but not limited to, the Federal Energy Regulatory Commission ("FERC"), or successor agencies.
- (h) "Completion Date" means the date when all of the Wayne Industrial Park Wind Turbines have achieved Commercial Operation and the Conditions Precedent in Section 9(a) have been satisfied.
- (i) "Conditions Precedent" has the meaning given in Section 9(a).
- (j) "Contract Year" means any consecutive twelve (12) month period commencing with the Completion Date or its anniversary.
- (k) "Delivery Arrangements Agreement" means an agreement between CITY and the Transmission System Operator that provides for the receipt of Energy Output at the Point of Delivery and for the transmission and delivery of such Energy Output to points beyond the Point of Delivery.

- (l) "Emergency" means a physical condition or situation that, in the judgment of the Transmission System Operator, affects or will affect the ability of the Grid to accept Energy Output from the Facility at the Point of Delivery.
- (m) "Energy Output" means the amount of electrical energy generated by the Wayne Industrial Park Wind Turbines and delivered at the Point of Delivery. Energy Output shall be metered in whole kilowatt-hours (kWh) by the Metering Device(s) on the high side of the transformer at the Facility Substation. Energy Output delivered to CITY at the Point of Delivery shall be deemed to be equal to the energy measured by the Metering Device(s) minus energy losses of 0.052 percent between the Metering Device and the Point of Delivery.
- (n) "Energy Payment Rate" has the meaning ascribed in Section 7.
- (o) "Event of Default" means an event as defined in Section 10 that confers a contractual right upon the non-defaulting Party to terminate the Agreement.
- (p) "Facility" means the Wayne Industrial Park Wind Project, which includes all of the following, the purpose of which is to produce and sell electricity: Seller's equipment, property, wind turbines, step-up transformer(s), circuit breakers, necessary electric lines to connect to the Point of Delivery, protective and associated equipment, improvements, and other tangible and intangible assets, property and access rights and contract rights reasonably necessary for the construction, operation, and maintenance of the electric wind generating facility to be located at the site specified in Section 4 that produces Energy Output being sold under this Agreement.
- (q) "Facility Substation" means the facilities located at the point of intersection of the Facility Transmission Line and CITY's transmission line.
- (r) "Facility Transmission Line" means the transmission line connecting the Wind Turbines to the Point of Delivery.
- (s) "First Delivery Date" means the first date on which the Interconnection Facilities are energized and capable of accepting delivery of Energy Output at the Point of Delivery.
- (t) "GDPIPD" means the implicit price deflator for the gross domestic product as computed and published by the U.S. Department of Commerce. The figures to be used in this adjustment shall be those presented in the "Gross Domestic Product: First Quarter 'Final' Press Release" typically released in June of each calendar year by the United States Department of Commerce, Bureau of Economic Analysis. No subsequent revisions released by the United States Department of Commerce to those figures will be considered to affect or adjust the Energy Payment Rate for that particular Contract Year.
- (u) "Good Utility Industry Practice(s)" means the practices, methods, and acts (including, but not limited to, the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry) that, at a particular time, in the exercise of reasonable judgment in light of the facts known or that should reasonably have been known at the time a decision was made, would have been expected to accomplish the desired result in a manner consistent with law, regulation, codes, standards, equipment manufacturer's recommendations, reliability, safety, environmental protection, economy, and expedition. With respect to the Facility, Good Utility Industry Practice(s) include, but are not limited to, taking reasonable steps to ensure that:
 - (1) equipment, materials, resources, and supplies are available to meet the Facility's needs;
 - (2) sufficient operating personnel are available at all times and are adequately experienced, trained and licensed as necessary to operate the Facility properly and efficiently, and are capable of responding to reasonably foreseeable emergency conditions whether caused by events on or off the site of the Facility;
 - (3) preventive, routine, and non-routine maintenance and repairs are performed on a basis that ensures reliable long-term and safe operation, and are performed by

- knowledgeable, trained, and experienced personnel utilizing proper equipment and tools;
- (4) appropriate monitoring and testing are performed to ensure equipment is functioning as designed;
 - (5) equipment is not operated in a reckless manner, or in a manner unsafe to workers, the general public, or contrary to environmental laws or regulations or without regard to defined limitations such as flood conditions, safety inspection requirements, operating voltage, current, volt-ampere reactive (VAR) loading, frequency, rotational speed, polarity, synchronization, and/or control system limits; and (6) the equipment will function properly under both normal and reasonably expected Emergency conditions at the Facility.
- (v) "Grid" means the electrical transmission system that is beyond the Point of Delivery and controlled by the Transmission System Operator.
 - (w) "Inflation Adjustment Factor" shall mean a fraction, the numerator of which is the GDPIPD for the first (1st) quarter of the current calendar year and the denominator of which is the GDPIPD for the first (1st) quarter of the preceding year.
 - (x) "Interconnection Facilities" means all the land rights, materials, equipment, and facilities installed for the purpose of interconnecting the Wayne Industrial Park Wind Turbines to CITY's transmission line, including, but not limited to, electrical interconnection, switching, metering, relaying, and communication and safety equipment.
 - (y) "Interconnection Facilities Agreement" means the Generation Interconnection Agreement between Seller and Transmission System Operator that contains the rights and obligations of the parties with respect to the interconnection of the Facility to CITY's transmission line and the methods and procedures for the safe operation and maintenance of the Interconnection Facilities.
 - (z) "Metering Device(s)" means the electronic kilowatt-hour meter and associated potential transformers and current transformers used to measure the Energy Output from the Facility, as described in Section 5(c)(2) and Exhibit A
- I. (aa) "On-peak", "summer" and "winter" hours or seasons, as applicable, shall have the same definitions as those in the Nebraska Public Power District rate schedule GFPS;
- (bb) "Operating Committee" means the committee comprised of one delegate each from CITY and Seller pursuant to Section 9(e) of this Agreement.
 - (cc) "Seller's Computer Monitoring System" means the computer-based monitoring system comprised of computer hardware, software, and private communication system extending to each CITY Wind Turbine, which system gathers, archives and reports turbine operating data.
 - (dd) "Party" and/or "Parties" means Seller, CITY, or Seller and CITY.
 - (ee) "Point of Delivery" means the electric system point at which Seller makes the Energy Output available to CITY.
 - (ff) "Seller's Interconnection Facilities" means that portion of the Interconnection Facilities that are located outside of the boundary fence of the Facility Substation but with sufficient additional cable attached to reach to the Point of Delivery within the Facility Substation, as described in greater detail in Exhibit A.
 - (gg) "Transmission System Operator" means CITY's Transmission Business Line or any successor that controls and operates the Grid.

2. Term

(a) Effectiveness; Basic Term

This Agreement shall become effective upon the date signed by both Parties (Effective Date) and shall remain in effect for a period of twenty (20) years from the Completion Date.

(b) Survival of Terms and Conditions

Applicable provisions of this Agreement shall continue in effect after termination to the extent necessary to provide for final billings and adjustments related to the period prior to termination, including repayment of any money due and owing to or by CITY pursuant to this Agreement.

(c) Purchase of Facility

CITY shall be given per this agreement the first right of refusal to purchase the Wayne Industrial Park Wind Project over any and all outside sources from the execution of this document.

3. Exhibits

The exhibits listed in the Table of Contents are incorporated into this Agreement by reference.

4. Facility Description

(a) Summary Description

Seller shall construct, operate, and maintain the Facility. Exhibit A provides a complete description of the Facility, including identification of the Wayne Industrial Park Wind Turbines and other equipment and components that comprise the Facility.

(b) Site

The Facility shall be located at the area generally described as:

Facility Name: Wayne Industrial Park Wind Project

Location: Sections 11, Township 26 North, Range 3, East of the 6th Principal Meridian, Wayne County, Nebraska, with a portion of Seller's Interconnection Facilities also located on site.

County/State: Wayne, Nebraska.

A scaled map that identifies the location of the Facility, the Wayne Industrial Park Wind Turbines, the Interconnection Facilities, and significant ancillary facilities, including the facilities located at Point of Delivery, is included in Exhibit A.

(c) General Design and Construction of the Facility

Seller shall construct the Facility in a workmanlike, professional manner according to Good Utility Industry Practice(s). The Facility shall be:

- (1) capable of supplying Energy Output in compliance with the requirements of the Interconnection Facilities Agreement;
- (2) capable of operating at power levels as specified in the Interconnection Facilities Agreement; and
- (3) equipped with protective devices and generator control systems designed and operating in accordance with the Interconnection Facilities Agreement and Good Utility Industry Practice(s).

5. Interconnection Facilities and Metering

(a) Interconnection Facilities Agreement

Seller shall negotiate in good faith and enter into an Interconnection Facilities Agreement that is reasonably acceptable to CITY for the purposes and in accordance with the schedules set forth in this Section 5(a). CITY shall diligently cooperate with Seller in these negotiations.

- (1) The Interconnection Facilities Agreement shall address and describe (i) the switching, metering, relaying, communications and safety equipment that will constitute the Interconnection Facilities, (ii) the processes, procedures for, and timing of the procurement, construction, testing and placement into operation of the Interconnection Facilities and their connection to the Point of Delivery, (iii) the billing and payment schedules for the construction, operation and maintenance of the Interconnection Facilities, (iv) the operating procedures and requirements of the Interconnection Facilities, including the requirements for the Wayne Industrial Park Wind Turbines to be capable of immediate disconnection from the Point of Delivery in accordance with Good Utility Industry Practice(s) or in the event of Emergency, and (v) the terms, conditions and other requirements relating to the construction, operation and maintenance of the Interconnection Facilities. As between CITY and Seller, all expenses associated with the procurement, construction, installation and operation of the Interconnection Facilities shall be paid by Seller in accordance with the Interconnection Facilities Agreement.
- (2) It is an objective of this Agreement that the First Delivery Date occur no later than September 1, 2010, provided that such date shall be extended day-for-day by any Force Majeure or any delay caused by CITY. Seller shall give CITY fifteen (15) calendar day's written notice prior to the First Delivery Date. If the Completion Date occurs more than thirty (30) days after the First Delivery Date, irrespective of the occurrence of any Force Majeure and otherwise not due to the negligence or fault of CITY, then Seller shall reimburse CITY for payments made for transmission services for the period commencing on the day following the thirtieth (30th) day after the First Delivery Date and continuing until the Completion Date; provided that CITY shall act in a commercially reasonable manner to minimize costs related to such transmission services.

(b) Delivery Arrangements Agreement

CITY shall enter into one or more agreements with the Transmission System Operator and/or with others that provide for the receipt of the Energy Output at the Point of Delivery and for the transmission and delivery of such Energy Output to points beyond the Point of Delivery (such agreements shall constitute the ("Delivery Arrangements Agreement")). CITY shall be solely responsible for negotiating, and maintaining during the term of this Agreement, the Delivery Arrangements Agreement. Seller shall diligently cooperate with CITY in these negotiations.

(c) Other Provisions Related to Interconnection

(1) Access to Facility

During the term of this Agreement, appropriate representatives of CITY shall at all reasonable times, including weekends and nights, and with reasonable prior notice, have access to the Facility, including the control room and the Interconnection Facilities, to read and maintain meters and to perform all inspections, maintenance, service, and operational reviews as may be appropriate to facilitate the performance of this Agreement. While at the Facility, such representatives shall observe such reasonable safety precautions as may be required by Seller and shall conduct themselves in a manner that will not interfere with the construction, operation or maintenance of the Facility.

(2) Metering Devices

- (i) All Metering Devices used to measure the Energy Output under this Agreement shall be subject to approval by CITY, owned by Seller, and installed in accordance with the Interconnection Facilities Agreement. Seller shall, at Seller's expense, install communication equipment that allows CITY to read

the Metering Devices from a remote location (such as CITY headquarters) at any time. Metering Devices shall be maintained directly by Seller or by agents or subcontractors directly under the Seller's control or by the Transmission System Operator. All Metering Devices used to measure the Energy Output under this Agreement shall be sealed and the seal may be broken only when such Metering Devices are to be inspected, and tested and/or adjusted. The number, type, and location of such Metering Devices shall be specified in the Interconnection Facilities Agreement.

- (ii) All Metering Devices shall be maintained, calibrated, and tested in conformance with the policies of the Transmission System Operator and the terms of the Interconnection Facilities Agreement. Seller shall arrange to test the Metering Devices at least once per calendar year. CITY, at its own expense, may require that Seller initiate testing and inspection of the Metering Devices. Seller shall permit a representative of CITY to witness and verify such inspections and tests, provided, however, that CITY shall comply with all of the Seller's safety standards. Seller shall provide CITY with copies of any periodic or special inspection or testing reports relating to the Metering Devices.
 - (iii) CITY may elect to install and maintain, at its own expense, Metering Devices and data gathering and communication equipment used to monitor, record, or transmit data relating to the Energy Output from the Wayne Industrial Park Wind Turbines. Seller shall arrange for a location within the Facility Substation control house accessible to Seller and CITY, for such data gathering and communication equipment that may be installed.
 - (iv) Seller shall notify CITY within 48 hours of Seller receiving actual notice of any inaccuracy or defect in a Metering Device. Seller shall cause the Metering Devices to be adjusted, repaired, replaced, and/or recalibrated as near as practicable to a condition of zero error at the expense of Seller or the Party owning the defective or inaccurate device.
- (3) Adjustment for Inaccurate Meters**

If a Metering Device fails to register or is found upon testing to be inaccurate by more than a quarter of one percent (0.25%), an adjustment shall be made correcting all measurements by the inaccurate or defective Metering Device, for both the amount of the inaccuracy and the period of the inaccuracy, in the following manner:

- (i) In the event that the Metering Device is found to be defective or inaccurate and an adjustment factor for the Metering Device cannot be reliably calculated, the Parties shall use the measurements from CITY-owned meters if they have been installed, fully operational and calibrated pursuant to Section 5(c)(2). If CITY-owned meters have not been installed or, if installed, are not fully operational or calibrated, the Parties shall use production data from Seller's Computer Monitoring System to determine the amount of such inaccuracy.
- (ii) In the event that Seller's Computer Monitoring System is found to be inaccurate by more than two percent (2.0%), the Parties shall estimate the amount of the necessary adjustment using the site meteorological information for the period of the inaccuracy based upon deliveries of Energy Output from the Wayne Industrial Park Wind Turbines during periods of similar operating conditions when the Metering Device was registering accurately. The adjustment shall be made for the period during which inaccurate measurements were made.
- (iii) In the event that the Parties cannot agree on the actual period during which the inaccurate measurements were made, the period during which the

measurements are to be adjusted shall be the shorter of (1) the last one-half of the period from the last previous test of the Metering Device to the test that found the Metering Device to be defective or inaccurate, or (2) the 180-day period immediately preceding the test that found the Metering Device to be defective or inaccurate.

- (iv) To the extent that the adjustment period overlaps with a period of deliveries for which payment has already been made to Seller by CITY, CITY shall use the corrected measurements as determined in accordance with this Section to recalculate the amount due for the period of the inaccuracy and shall subtract the previous payments by CITY for such period from such recalculated amount. If the difference is a positive number, the difference shall be paid by CITY to Seller; if the difference is a negative number, that difference shall be paid by Seller to CITY, or at CITY's discretion such difference may take the form of an offset to payments due Seller by CITY. Payment of such difference by the owing Party shall be made not later than thirty (30) days after the owing Party receives notice of the amount due, unless CITY elects payment via an offset.

(4) Reliability Standards

Seller shall operate the Wayne Industrial Park Wind Turbines in a manner that complies with the operating requirements set forth in the Interconnection Facilities Agreement.

6. Obligation to Sell and Purchase Energy Output

(a) Conditional Obligation to Purchase

Seller shall achieve the Completion Date by no later than September 1, 2010, or such later date permitted due to Force Majeure or any delay caused by CITY. In any event, irrespective of Force Majeure, Seller shall achieve the Completion Date no later than December 31, 2010. Breach of this Section 6(a) shall constitute an Event of Default as provided under Section 10(a)(1) and CITY may pursue remedies available to it including those available pursuant to Section 10(c).

(b) Sale and Purchase

CITY shall purchase any or all Energy Output generated by the Wayne Industrial Park Wind Turbines and delivered to the Point of Delivery prior to the Completion Date. Beginning on the Completion Date, and throughout the term of this Agreement, Seller shall supply from the Facility and sell to CITY, and CITY shall receive and purchase, the entire Energy Output of the Wayne Industrial Park Wind Turbines in accordance with the terms of this Agreement. Seller shall deliver the Energy Output to, and make such Energy Output available to CITY at, the Point of Delivery. Neither Party shall curtail or interrupt delivery, acceptance, sale and/or purchase of Energy Output for economic reasons.

(c) Point of Delivery

The Point of Delivery shall be at located at the 3-Phase transmission line across Nebraska Highway 35 from Pac-N-Save in Wayne, Nebraska.

(d) Exception

CITY shall not be obligated to purchase Energy Output that cannot be delivered due to disruptions, breakdowns, electrical system failures and/or mechanical failures, maintenance or repair, including, for reasons of Force Majeure, to the Facility Substation and/or the Grid; provided that such inability to deliver is not due, in whole

or in part, to CITY's negligence or its breach of, or default under, this Agreement or the Delivery Arrangements Agreement. As between CITY and Seller, Seller shall not be entitled to recover lost revenues for events covered in this Section 6(d) from CITY (other than as referred to in the proviso in the previous sentence).

(e) Exclusions

The Parties acknowledge that the Wayne Industrial Park Wind Turbines have the potential to produce substantial carbon dioxide credits and other environmental air quality credits and related emissions reduction credits or benefits (economic and otherwise) related to the generation of energy after Commercial Operation. The Parties agree that any and all such credits or benefits shall be the property of CITY. In furtherance of the foregoing, Seller hereby transfers to CITY all right, title and interest Seller has or will have in, to, and under such credits or benefits. Seller agrees to provide such further evidence of the right, title and interest of CITY in such credits or benefits, and such information with respect to such credits or benefits, as CITY shall reasonably request.

7. Payment for Energy Output

(a) Price for Energy Output

CITY agrees to purchase from Seller any Energy Output produced for sale by Seller at a base rate of \$0.041 per kWh (summer) and \$0.034 per kWh (winter), subject to annual review and subsequent change/true-up as agreed upon by both CITY and Seller. 'True-up', for purposes of this agreement, is broadly considered to be the difference between (actual proven Seller costs (including expected margin) and base) and (actual proven avoided City costs and base). For the period following the 30-day period specified in Section 5(a)(2) until the Completion Date, Seller shall be responsible for payment of all fixed charges required under the Delivery Arrangements Agreement for the use of the Grid, except as such delay is caused by CITY's negligence or its breach of, or default under, this Agreement or the Delivery Arrangements Agreement.

8. Billing and Payment

(a) Billing Statement and Invoices

The monthly billing period shall be the calendar month. No later than fifteen (15) calendar days after the end of each calendar month, Seller shall prepare, and provide to CITY, a statement showing Energy Output and an invoice for any amounts due from CITY to Seller under the terms of this Agreement, for the previous calendar month billing period. The statement and invoice shall be sent to the address specified in Section 12(a). The form of the invoice shall as shown in Exhibit C.

(b) Metered Billing Data

All billing data based on metered deliveries to CITY shall be collected by the Metering Device(s) in accordance with Section 5(c)(2).

(c) Payment Dates; Late Payments

Payments due Seller or CITY, as the case may be, shall be due and payable by electronic funds transfer, or by wire transfer, as designated by the owed Party, on or before the thirtieth (30th) calendar day following owing Party's receipt of owed Party's proper billing invoice. If the amount due is not paid on or before the due date, a late payment charge shall be applied to the unpaid balance and shall be added to the next invoice. Such late payment charge shall be calculated based on an annual interest rate consistent with the Prompt Payment Act (31 U.S.C. §§ 3901-3909) and effective in the month in which the invoice is rendered.

(d) Billing Disputes

- (1) Either CITY or Seller may contest invoiced amounts if a reasonable basis exists therefor (a "Billing Dispute"). The contesting Party's representative shall notify in writing the representative of the other Party of a Billing Dispute within thirty (30) calendar days from the receipt of a disputed invoice rendered under Section 8 of this Agreement.
- (2) Uncontested portions of invoiced amounts shall be paid on or before the due date or shall be subject to the late payment interest charges set forth above.

9. Operations and Maintenance

(a) Conditions Precedent to Facility Completion Date

Seller shall advise CITY in writing when Seller believes that all of the Conditions Precedent have been or will shortly be completed. In so doing, Seller shall provide evidence reasonably requested by CITY of the satisfaction or occurrence of all Conditions Precedent. CITY shall use its best efforts to respond in writing within two (2) Business Days (but in any event shall respond within six (6) Business Days) of Seller's written notification either confirming to Seller that all of the Conditions Precedent have been satisfied. Seller shall be responsible for any and all maintenance of the facility for as long as they own the facility. The maintenance of the facility shall be transferred to the CITY if and when the CITY purchases the Facility.

10. Default and Termination

(a) Events of Default of Seller

- (1) The occurrence of any of the following shall constitute an immediate Event of Default without the opportunity to cure:
 - (i) Seller dissolution or liquidation;
 - (ii) Seller assignment of this Agreement or any of its rights under it for the benefit of creditors;
 - (iii) Seller abandonment of construction and/or operation of the Facility; and Seller filing of a petition in bankruptcy or insolvency or for reorganization or arrangement under the bankruptcy laws of the United States or under any insolvency act of any state, or Seller voluntarily taking advantage of any such law or act by answer or otherwise.
- (2) The occurrence of any of the following shall constitute an Event of Default of Seller unless Seller shall have cured the same within ninety (90) days after receipt by Seller of written notice thereof from CITY:

- (i) Seller's failure to meet the Completion Date as set forth in Section 6(a) (subject to the extensions of time available to Seller under Section 6(a));
 - (ii) The filing of a case in bankruptcy or any proceeding under any other insolvency law against Seller as debtor or its parent or any other affiliate that could materially impact Seller's ability to perform its obligations hereunder; provided, however, that Seller does not obtain a stay or dismissal of the filing within ninety (90) days of the date of such filing;
 - (iii) After the Completion Date, Seller tampering with or adjustment of the Metering Devices for the Wayne Industrial Park Wind Turbines in ways not expressly permitted by Sections 5(c)(2) and 5(c)(3);
 - (iv) After the Completion Date, the sale by Seller to a third party, or diversion by Seller for any use, of the Energy Output committed to CITY by Seller absent CITY's prior written consent to such diversion or use;
 - (v) After the Completion Date, Seller's failure to maintain in effect any material agreements required to deliver the Energy Output to the Point of Delivery;
 - (vi) Seller's failure to acquire or maintain permits needed to construct and operate the Facility;
 - (vii) Seller's failure to acquire or maintain land rights needed to access, construct, and operate the Facility; or
 - (viii) Seller's failure to comply with any other material obligation under this Agreement.
- (3) Seller's failure to make any payment when required under this Agreement shall constitute an Event of Default of Seller unless (1) Seller shall have cured the same within thirty (30) days after receipt by Seller of written notice thereof from CITY or (2) Seller has filed in good faith a Billing Dispute with respect to such unpaid amounts and complied with Section 8(d).
- (b) Events of Default of CITY**
- (1) The following shall constitute Events of Default of CITY upon their occurrence and no cure period shall be applicable:
 - (i) CITY's dissolution or liquidation, provided that division of CITY into multiple entities shall not constitute dissolution or liquidation; or
 - (ii) CITY's general assignment of this Agreement or any of its rights hereunder for the benefit of creditors.
 - (2) The following shall constitute Events of Default of CITY upon their occurrence unless cured within ninety (90) days after the receipt by CITY of written notice thereof from Seller:
 - (i) CITY fails to purchase the entire Energy Output of the Wayne Industrial Park Wind Turbines in accordance with Section 6(b);
 - (ii) CITY defaults on its obligations under the Delivery Arrangements Agreement, and such default renders Seller unable to deliver the Energy Output at the Point of Delivery or affects Seller's right to be paid under this Agreement for delivery at the Point of Delivery for its Energy Output;
 - (iii) CITY's assignment of this Agreement or any of CITY's rights under this Agreement without obtaining Seller's prior written consent pursuant to Section 18; or
 - (iv) CITY's failure to comply with any other material obligation under this Agreement after receipt of notice thereof.

(3) CITY's failure to make any payment when required under this Agreement shall constitute an Event of Default unless (1) CITY shall have cured the same within thirty (30) days after receipt by CITY of written notice thereof or (2) CITY has filed in good faith a Billing Dispute with respect to such unpaid amounts and complied with Section 8(d).

(c) Termination for Cause

In addition to any other right or remedy available at law or in equity or pursuant to this Agreement, including the right to seek damages for breach of this Agreement, the non-defaulting Party may, upon written notice to the other Party, terminate this Agreement if any one or more of the Events of Default described in this Section occur and are not cured within the time periods set forth herein. In the event of a termination by CITY due to an Event of Default under Section 10(a)(2)(i), neither Party shall have any further liability or obligation to the other Party with respect to this Agreement, except Seller shall, after receipt of a detailed, written itemization and description, reimburse CITY for reasonable payments made by CITY pursuant to the Delivery Arrangements Agreement. Neither Party shall have the right to terminate this Agreement except as provided for upon the occurrence of an Event of Default as described above or as otherwise may be explicitly provided for in this Agreement. All remedies in this Agreement shall survive termination or cancellation of this Agreement and are cumulative.

(d) No Consequential Damages

In no event shall either Party be liable for the other Party's alleged lost profits or other consequential damages; provided, however, that any amounts which are expressly provided herein to be payable shall not be construed as lost profits or consequential damages.

11. [RESERVED]

12. Contract Administration and Notices

(a) Notices

All notices, demands or other communications required from or given by a Party pursuant to this Agreement shall be provided to the other Party in accordance with the requirements set forth in this section. All notices, demands or other communications required hereunder shall be given or made in writing and shall be delivered personally, sent by facsimile (fax), sent by a courier service, or mailed by registered or certified mail, postage prepaid to the parties at the following addresses, or at such other address as may be designated by notice given pursuant hereto:

If to Seller: Renewable Energy Development, LLC
6722 West 146th Terrace
Suite 6101
Overland Park, KS 66223
Attn: Wind Project Manager
Phone: 816-591-7872
Fax: 913-402-7416

If to Buyer: City of Wayne
Attn: City Clerk, Betty McGuire
306 Pearl Street
Wayne, Nebraska 68787
Phone: (402) 375-1733
Fax: (402) 375-4712

Notices given by hand, telegraphically transmitted, or sent by telecopy shall be deemed given the day so given, transmitted or sent. Notices mailed or sent by a courier service as provided herein shall be deemed given on the third Business Day following the date so mailed or on the date of actual receipt, whichever is earlier.

(b) Representative for Notice

Each Party shall maintain a designated representative to receive notices. Such representative may, at the option of each Party, be the same person as that Party's representative or alternate representative on the Operating Committee, or a different person. Either Party may, by written notice to the other, pursuant to Section 12(a) above, change the representative or the address to which such notices and communications are to be sent.

(c) Authority of Representatives

The Parties' representatives designated in Section 12(b) above shall have authority to act for their respective principals in all technical matters relating to performance of this Agreement and to attempt to resolve disputes or potential disputes. However, they shall not have the authority to amend or modify any provision of this Agreement.

(d) Operating Records

Seller and CITY shall each keep complete and accurate records and all other data required by each of them for the purposes of proper administration of this Agreement, including such records as may be required by state or Federal regulatory authorities.

(e) Billing and Payment Records

To facilitate payment and verification, Seller and CITY shall keep all books and records necessary for billing and payments in accordance with the provisions of Section 7 and grant the other Party reasonable access to those records.

(f) Examination of Records

Seller and CITY may examine the billing and operating records and data kept by the other relating to transactions under, and administration of, this Agreement at any time during the period the records are required to be maintained, upon request and during normal business hours.

13. Dispute Resolution

- (a)** The Parties shall make a good faith effort to negotiate a resolution of disputes before initiating litigation. During a contract dispute or contract issue between the Parties arising out of this Agreement, the Parties shall continue performance under this Agreement pending resolution of the dispute, unless to do so would be impossible or impracticable. Seller reserves the right to seek judicial resolution of any dispute arising under this Agreement that is not subject to arbitration under this Section 13.
- (b)** Final actions subject to section 9(e) of the Northwest Power Act are not subject to binding arbitration and shall remain within the exclusive jurisdiction of the United States Ninth Circuit Court of Appeals. Any dispute regarding any rights of the Parties under any CITY policy, including the implementation of such policy, shall not be subject to arbitration under this Agreement. Seller reserves the right to seek judicial resolution of any dispute arising under this Agreement that is not subject to arbitration under this Section 13. For purposes of this Section 13, CITY policy means any written document adopted by CITY as a final action in a decision record or record of decision that establishes a policy of general application, or makes a determination under an applicable statute. If either Party asserts that a dispute is excluded from arbitration under this Section 13, either Party may apply to the

Federal court having jurisdiction for an order determining whether such dispute is subject to arbitration under this Section 13.

- (c) Any contract dispute or contract issue between the Parties arising out of this Agreement, except for disputes that are excluded through Section 13(a) above, shall be subject to binding arbitration. The Parties shall make a good faith effort to resolve such disputes before initiating arbitration proceedings. During arbitration, the Parties shall continue performance under this Agreement pending resolution of the dispute, unless to do so would be impossible or impracticable.
- (d) Any arbitration shall take place in Omaha, Nebraska, unless the Parties agree otherwise. The CPR Institute for Dispute Resolution's arbitration procedures for commercial arbitration, Non-Administered Arbitration Rules (CPR Rules), shall be used for each dispute; provided, however, that: (1) the Parties shall have the discovery rights provided in the Federal Rules of Civil Procedure unless the Parties agree otherwise; and (2) for claims of \$1 million or more, each arbitration shall be conducted by a panel of three neutral arbitrators. The Parties shall select the arbitrators from a list containing the names of 15 qualified individuals supplied by the CPR Institute for Dispute Resolution. If the Parties cannot agree upon three arbitrators on the list within 20 Business Days, the Parties shall take turns striking names from the list of proposed arbitrators. The Party initiating the arbitration shall take the first strike. This process shall be repeated until three arbitrators remain on the list, and those individuals shall be designated as the arbitrators. For disputes involving less than \$1 million, a single neutral arbitrator shall be selected consistent with section 6 of the CPR Rules.
- (e) Except for arbitration awards, which declare the rights and duties of the Parties under this Agreement, the payment of monies shall be the exclusive remedy available in any arbitration proceeding. Under no circumstances shall specific performance be an available remedy against CITY. The arbitration award shall be final and binding on both Parties, except that either Party may seek judicial review based upon any of the grounds referred to in the Federal Arbitration Act, 9 U.S.C. §1-16 (1988). Judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof.
- (f) Each Party shall be responsible for its own costs of arbitration, including legal fees. The arbitrators may apportion all other costs of arbitration between the Parties in such manner as they deem reasonable taking into account the circumstances of the case, the conduct of the Parties during the proceeding, and the result of the arbitration.

14. Force Majeure

(a) Definition of Force Majeure

The term "Force Majeure," as used in this Agreement, means causes or events beyond the reasonable control of, and without the fault or negligence of the party claiming Force Majeure, including, without limitation, acts of God, sudden actions of the elements such as floods, earthquakes, hurricanes, wind speeds in excess of safe working limits, or tornadoes; sabotage; vandalism beyond that which could reasonably be prevented by Seller; terrorism; war; riots; fire; explosion; severe cold or hot weather or snow or other extreme or severe weather conditions; blockage, insurrection, strike, slow down, or labor disruptions (even if such difficulties could be resolved by conceding to the demands of a labor group); and requirements, actions or failures to act by Transmission System Operator, but only if such requirements, actions or failures to act prevent or delay performance; the adoption or change in any rule or regulation or judicial decision lawfully imposed by Federal, state, or local government bodies; inability, despite due diligence, to obtain required licenses, permits, or approvals for the construction and operation of the Facility under the terms of this Agreement; and the mechanical or equipment breakdown of the Grid to the extent not

caused by the party claiming the Force Majeure. The term "Force Majeure" does not include any full or partial curtailment in the electric output of the Facility that is caused by or arises from the act or acts of any third party, including, without limitation, any vendor, material man, customer, or supplier of Seller, unless such act or acts is or are itself or themselves excused by reason of Force Majeure. The term "Force Majeure" does not include any full or partial curtailment in the electric output of the Facility that is caused by or arises from a mechanical or equipment breakdown of the Facility, or fires, explosions, or other mishap or events or conditions attributable to normal wear and tear or flaws related to the Facility, unless caused by a Force Majeure event specifically listed in the first sentence of this Section 14(a).

(b) Applicability of Force Majeure

Neither Party shall be responsible or liable for any delay or failure in its performance under this Agreement due to conditions or events of Force Majeure (except that any and all obligations to pay money shall not be delayed or excused by conditions or events of Force Majeure), provided that:

- (1) the non-performing Party gives the other Party prompt written notice describing the particulars of the occurrence of the Force Majeure;
- (2) the suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure;
- (3) the non-performing Party proceeds with reasonable diligence to remedy its inability to perform and provides weekly progress reports to the other Party describing actions taken to end the Force Majeure; and
- (4) the non-performing Party shall provide written notice of its ability to resume performance of its obligations under this Agreement.

(c) Limitations on Effect of Force Majeure

In no event will any delay or failure of performance caused by any conditions or events of Force Majeure extend this Agreement beyond its stated term. In the event of any delay or failure of performance caused by conditions or events of Force Majeure, which would otherwise constitute an Event of Default pursuant to Section 10, the cure provisions of Section 10 shall not apply and such delay or failure of performance, if not previously cured, shall be extended day-for-day by the event of Force Majeure; provided that such delay or failure shall become an Event of Default one (1) year from the date of notice provided for in Section 10. The other Party may, at any time following the end of such one-year period, terminate this Agreement upon written notice to the affected Party, without further obligation by the terminating Party except as to costs and unpaid balances incurred prior to the effective date of such termination. The other Party may, but shall not be obligated to, extend such one year period, for such additional time as it, at its sole discretion, deems appropriate, if the affected Party is exercising due diligence in its efforts to cure the conditions or events of Force Majeure.

(d) Delays Attributable to CITY

Seller shall be excused from delays in meeting performance deadlines under this Agreement, on a day-for-day basis, for any delays attributable to CITY, including, without limitation, delays in CITY obtaining any required permits, consents, or approvals and agreements, including, without limitation, the Delivery Arrangements Agreement, from governmental authorities or third parties required for CITY to perform its obligations under this Agreement. Seller shall provide CITY with timely written notice that a delay allegedly attributable to CITY has occurred or is expected to occur. The notice shall specify the length of any extension to a performance deadline to which Seller feels entitled.

15. Representations and Warranties

(a) Seller's Representations and Warranties

Seller hereby represents and warrants that as of the date hereof:

- (1) Seller is an Nebraska corporation, duly organized, validly existing and in good standing under the laws of the State of Nebraska, and is qualified to perform its obligations under this Agreement in Nebraska and in each other jurisdiction where the failure to so qualify would have a material adverse effect upon the business or financial condition of Seller; and Seller has all requisite power and authority to conduct its business, to own its properties, and to execute, deliver, and perform its obligations under this Agreement.
- (2) The execution, delivery, and performance of its obligations under this Agreement by Seller have been duly authorized by all necessary corporate action, and do not and will not:
 - (i) require any consent or approval of Seller's members other than that which has been obtained and is in full force and effect;
 - (ii) violate any provision of law, rule, regulation, order, writ, judgment, injunction, decree, determination, or award currently in effect having applicability to Seller or violate any provision in any charter documents of Seller, the violation of which could have a material adverse effect on the ability of Seller to perform its obligations under this Agreement;
 - (iii) result in a breach or constitute a default under Seller's charter documents, or under any agreement relating to the management or affairs of Seller or any indenture or loan or credit agreement, or any other agreement, lease, or instrument to which Seller is a party or by which Seller or its properties or assets may be bound or affected, the breach or default of which could reasonably be expected to have a material adverse effect on the ability of Seller to perform its obligations under this Agreement; or
 - (iv) result in, or require the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance of any nature (other than as may be contemplated by this Agreement) upon or with respect to any of the assets or properties of Seller now owned or hereafter acquired, the creation or imposition of which could reasonably be expected to have a material adverse effect on the ability of Seller to perform its obligation under this Agreement.
- (3) This Agreement is a valid and binding obligation of Seller.
- (4) The execution and performance of this Agreement will not conflict with or constitute a breach or default under any contract or agreement of any kind to which Seller is a party or any judgment, order, statute, or regulation that is applicable to Seller or the Facility.
- (5) To its best knowledge, all approvals, authorizations, consents, or other action required by any governmental authority to authorize Seller's execution, delivery, and performance under this Agreement have been duly obtained and are in full force and effect.

(b) CITY's Representations and Warranties

CITY hereby represents and warrants the following:

- (1) The execution and performance of CITY's obligations under this Agreement has been duly authorized by all necessary agency action, and does not and will not:
 - (i) require any further agency consent or approval;
 - (ii) to the knowledge of CITY violate any provision of Federal law, rule, regulation, order, writ, judgment, injunction, decree, determination, or award currently in effect having applicability to CITY, or conflict with or constitute a breach or default under any contract or agreement of any kind to which CITY is a party, the violation, conflict, or breach or default of which could have a material adverse effect on the ability of CITY to perform its obligations under this Agreement.
- (2) This Agreement is a valid and binding obligation of CITY.

16. Insurance and Indemnity

(a) Evidence of Insurance

- (1) During the construction of the Facility, Seller shall, at Seller's expense, maintain or cause to be maintained property damage insurance covering all wind-electric generation facilities at the Facility on an "all-risk" basis, for the full replacement value of such facilities.
- (2) Commencing on the Completion Date, Seller shall, at Seller's expense, maintain or cause to be maintained appropriate property and casualty loss insurance for the value of the Facility, and other appropriate insurance for the Facility in accordance with prudent wind industry practice, including as follows:
 - (i) Commercial General Liability covering bodily injury and property damage, boiler and machinery, products/completed operations, contractual and personal injury liability, with limits not less than \$1,000,000 combined single limit per occurrence;
 - (ii) All-risk property insurance including earthquake, tornado, and flood, subject to appropriate sub limits, covering physical loss or damage to all real and personal property located at the Facility.
- (3) The insurance shall acknowledge CITY, its officers, agents, employees, and successors in interest as additional insured.
- (4) The insurance shall not affect Seller's liability under the indemnity provisions of this Agreement and shall not be terminated, expire nor be materially altered except on thirty (30) days prior written notice to CITY and with CITY's written concurrence. Such concurrence shall not be unreasonably withheld.
- (5) As evidence that policies do in fact provide the required coverage's and limits of insurance and are in full force and effect, Seller, and/or its contractor or representative, shall, at least fourteen (14) days prior to the Completion Date, furnish to CITY certificates of insurance.

(b) Limitation on Liability

Neither CITY nor Seller ("First Party") shall be liable, whether in warranty, tort or strict liability, to the other Party ("Second Party") for any injury or death to any person, or for any loss or damage to any property, caused by or arising out of any electric disturbance of the First Party's electric system, whether or not such electric disturbance resulted from the First Party's negligent act or omission. Each Second Party shall release the First Party from, and shall indemnify and hold harmless the First Party from, any such liability. As

used in this Section, (1) the term "Party" means, in addition to such Party itself, its agents, directors, officers, contractors and employees; (2) the term "damage" means all damage, including consequential damage; and (3) the term "persons" means any person, including those not connected with either Party to this Agreement.

17. Regulatory Jurisdiction and Compliance

(a) Governmental Jurisdiction and Regulatory Compliance

Each party shall at all times comply with all applicable laws, ordinances, rules, and regulations applicable to it. As applicable, each party shall give all required notices, shall procure and maintain all necessary governmental permits, licenses, and inspections necessary for performance of this Agreement, and shall pay its respective charges and fees in connection therewith.

(b) Provision of Support

Seller shall make available, upon CITY's reasonable request, any personnel of Seller and any records relating to the Facility to the extent that CITY requires the same in order to fulfill any regulatory reporting requirements, or to assist CITY in litigation, including, but not limited to, proceedings before utility regulatory commissions. CITY shall make available, upon Seller's reasonable request, any personnel of CITY and any records relating to the Facility to the extent that Seller requires the same in order to fulfill any regulatory reporting requirements, or to assist Seller in litigation, including, but not limited to, proceedings before utility regulatory commissions.

18. Assignment and Other Transfer Restrictions

(a) No Assignment Without Consent

This Agreement shall be binding upon and inure to the benefit of, or may be performed by, the successors and assigns of the Parties. No Party may assign or otherwise transfer its rights or obligations under this Agreement unless it has obtained the prior written consent of the other Party. Seller may assign and/or delegate, or transfer or permit the transfer of all or any portion of its interests in the Facility or this Agreement, to any person or entity after obtaining the prior written consent of CITY, which shall not be unreasonably withheld, delayed or conditioned; provided that such other person or entity assumes, or is otherwise bound to perform, all of Seller's obligations under this Agreement. Seller may assign and/or delegate, or transfer or permit the transfer of all or any portion of its interests in the Facility or this Agreement, to any lender as collateral. No assignment, delegation, pledge, or transfer shall relieve or release Seller to any extent of any of its pre-transfer obligations under this Agreement. No assignment, pledge, or other transfer of this Agreement by any Party shall operate to release the assignor, pledger, or transferor from any of its obligations under this Agreement unless consent to the release, which shall not be unreasonably withheld, delayed or conditioned, is given in writing by the other Party.

19. Confidential Information

(a) Availability

The Parties have and will develop certain information, processes, know-how, techniques and procedures concerning the Facility (collectively, "Information") which they consider confidential and proprietary. Notwithstanding the confidential and proprietary nature of such Information, CITY and Seller (each, the "Disclosing Party") may make this Information available to the other (each, a "Receiving Party") subject to the provisions of this section.

(b) Designation

At the time of furnishing or making available for inspection such confidential or proprietary Information, the Disclosing Party shall expressly designate by label, stamp, or oral communication (to be confirmed in writing) the Information which it considers to be confidential and/or proprietary.

(c) Obligations

The Receiving Party's obligations with respect to the use or disclosure of such Information thereafter will be as set forth in this section.

(d) Conditions and Restrictions

Upon receiving or learning of Information designated as confidential and/or proprietary by the Disclosing Party, the Receiving Party shall:

- (1) treat such Information as confidential and use reasonable care not to divulge such Information to any third party except as required by law, subject to the restrictions set forth below;
- (2) restrict access to such Information to employees (and others who agree to be bound by this Agreement) whose access is reasonably necessary in developing the Facility and for the purposes of this Agreement;
- (3) use such Information solely for the purpose of developing the Facility and for the purposes of this Agreement; and
- (4) upon the termination of this Agreement, destroy or return any such Information in written or other tangible form and any copies thereof, if asked to do so in writing by the Disclosing Party.

(e) Exceptions

The restrictions in this section do not apply to:

- (1) the contents of this Agreement, which becomes a public document upon execution;
- (2) information which is, or becomes, publicly known or available otherwise than through the action of the Receiving Party in violation of this Agreement;
- (3) information which is in the possession of the Receiving Party prior to receipt from the Disclosing Party or is independently developed by the Receiving Party; provided that the person or persons developing same have not had access to such Information; or
- (4) information which is, in the reasonable written opinion of counsel to the Receiving Party, required to be disclosed pursuant to applicable law or regulation (including any Freedom of Information Act request); provided, however, that the Receiving Party, prior to such disclosure, shall provide reasonable advance notice to the Disclosing Party of the time and scope of the intended disclosure in order to permit the Disclosing Party opportunity to obtain a protective order or otherwise seek to prevent or limit the scope or otherwise impose conditions upon such disclosure.

(f) Term of Obligations

The obligations of the Parties under this section shall remain in full force and effect for two (2) years following the termination of this Agreement.

20. Miscellaneous

(a) Waiver

The failure of either Party to enforce or insist upon compliance with or strict performance of any of the terms or conditions of this Agreement, or to take advantage of any of its rights thereunder, shall not constitute a waiver or relinquishment of any such terms, conditions, or rights, but the same shall be and remain at all times in full force and effect.

(b) Taxes

Seller shall be responsible for any and all present or future Federal, state, municipal, or other lawful taxes applicable by reason of the ownership and operation of the Facility and the sale of energy under this Agreement and all ad valorem taxes relating to the Facility and the Interconnection Facilities.

(c) Disclaimer of Third Party Beneficiary Rights

In executing this Agreement, CITY does not, nor should it be construed to, extend its credit or financial support for the benefit of any third parties lending money to or having other transactions with Seller. Nothing in this Agreement shall be construed to create any duty to, or standard of care with reference to, or any liability to, any person not a party to this Agreement.

(d) Relationship of the Parties

This Agreement shall not be interpreted to create an association, joint venture, or partnership between the Parties or to impose any partnership obligation or liability upon either Party. Neither Party shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as an agent or representative of, the other Party.

Seller shall be solely liable for the payment of all wages, taxes, and other costs related to the employment of persons to perform such services, including all Federal, state, and local income, social security, payroll, and employment taxes and statutorily mandated workers' compensation coverage. None of the persons employed by Seller shall be considered employees of CITY for any purpose; nor shall Seller represent to any person that he or she is or shall become a CITY employee.

(e) Survival of Obligations

Cancellation, expiration, or earlier termination of this Agreement shall not relieve the Parties of obligations that by their nature should survive such cancellation, expiration, or termination, including, without limitation, warranties, remedies, or indemnities.

(f) Severability

In the event any of the terms, covenants, or conditions of this Agreement, its Exhibits, or the application of any such terms, covenants, or conditions, shall be held invalid, illegal, or unenforceable by any court having jurisdiction, all other terms, covenants, and conditions of the Agreement and their application not adversely affected thereby shall remain in force and effect, provided that the remaining valid and enforceable provisions materially retain the essence of the parties' original bargain.

(g) Interpretation

Unless the context of this Agreement otherwise requires, (a) words of any gender include each other gender; (b) words using the singular or plural number also include the plural or singular number, respectively; (c) the terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement including Exhibits; (d) the terms "Section" or

“Exhibit” refer to the specified Section or Exhibit of this Agreement; and (e) any reference to the entirety or any part of this Agreement shall refer to any amendment, supplement or replacement of the same. Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified.

(h) Complete Agreement; Amendments

The terms and provisions contained in this Agreement and referenced documents constitute the entire Agreement between CITY and Seller and shall supersede all previous communications, representations, or agreements, either verbal or written, between CITY and Seller with respect to the sale of electric capacity and energy from the Facility. This Agreement may be amended, changed, modified, or altered; provided that such amendment, change, modification, or alteration shall be in writing and signed by both Parties hereto.

(i) Binding Effect

This Agreement, as it may be amended from time to time pursuant to this Section, shall be binding upon and inure to the benefit of the Parties’ respective successors-in-interest, legal representatives, and assigns.

(j) Headings

Captions and headings used in the Agreement are for ease of reference only and do not constitute a part of this Agreement.

(k) Counterparts

This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument.

(l) Choice of Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Nebraska (without reference to choice of law doctrine), except to the extent the Parties’ rights and obligations are required to be governed by United States Federal law, then such rights and obligations shall be governed by United States Federal law.

(m) Equal Employment Opportunity Compliance Certification

Seller acknowledges that CITY is subject to various Federal laws, executive orders, and regulations regarding equal employment opportunity and affirmative action. Only to the extent that such Federal laws, executive orders and regulations are applicable to Seller as a vendor to CITY due to the sale of Energy Output under the terms of this Agreement and are required by law to be incorporated herein, such Federal laws, executive orders and regulations, including, but not limited to, 41 C.F.R. § 60-1.4(a)(1-7), are incorporated by reference into this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement.

RENEWABLE ENERGY DEVELOPMENT, LLC

CITY OF WAYNE, NEBRASKA

By: _____
Clint E. Boger
Member

By: _____
Lois Shelton
Mayor

EXHIBIT A
Facility Description and Map

The Facility is known as the Wayne Industrial Park Wind Project and is located Wayne, Nebraska.
The Facility consists of two (2) Nordic Corp., model N1000 wind turbines. Each wind turbine is connected to the next by a 1,000-kV underground collector system. Wind turbines are grouped in "strings" of two (2) turbines, each spaced approximately 700 feet from the next.

Description of Facility:

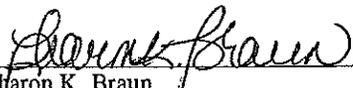
REPORT OF OWNERSHIP
Compiled pursuant to *Neb. Rev. Stat. §76-537 (9)* (Reissue 1996)

I, Sharon K. Braun, a Nebraska Registered Abstractor on behalf of First Source Title & Escrow Co. holding Certificate of Authority No. 525, do hereby certify that the following property owners and their last known address, listed on the attached one (1) page, constitute all of the property owners within 300 feet of the East half of the Southeast Quarter (E½SE¼) of Section 11, Township 26 North, Range 3, East of the 6th P.M., Wayne County, Nebraska, excepting those portions thereof conveyed to the State of Nebraska by Warranty Deed recorded September 24, 1959, in Deed Book 41 at Pages 489-490, and on August 13, 1997, on Microfilm No. 970948, and further excepting that portion thereof conveyed to John Miller and Amy K. Miller recorded on March 16, 2010, on Document No. 100269, in the records of Wayne County, Nebraska, owned by Brian J. Bowers and Amy J. Bowers; as of the effective date shown below.

This Report of Ownership is not an abstract of title in that it is not a complete compilation of all facts of record relative to the property, nor is it a complete chain of title search. This Report of Ownership does not purport to constitute an opinion as to the state of the title, nor is it a policy of title insurance, and has been prepared pursuant to *Neb. Rev. Stat. §76-537 (11)* (Cumm Supp 2002).

Effective date October 12, 2010, at 8:00 a.m.

FIRST SOURCE TITLE & ESCROW CO.
Certificate of Authority No. 525

BY: 
Sharon K. Braun
Registered Abstractor

Map of Facility:

The following site map indicates the location and layout of the Wayne Industrial Park Wind Turbines. The following diagram shows the location of Metering Devices and other equipment installed at the Facility Substation.



Describe Interconnection Facility:

Electrical Power System Schematic Diagram:

Electrical Systems Outline

NWP/ENG/T/101527-01

3. ELECTRICAL POWER SYSTEM

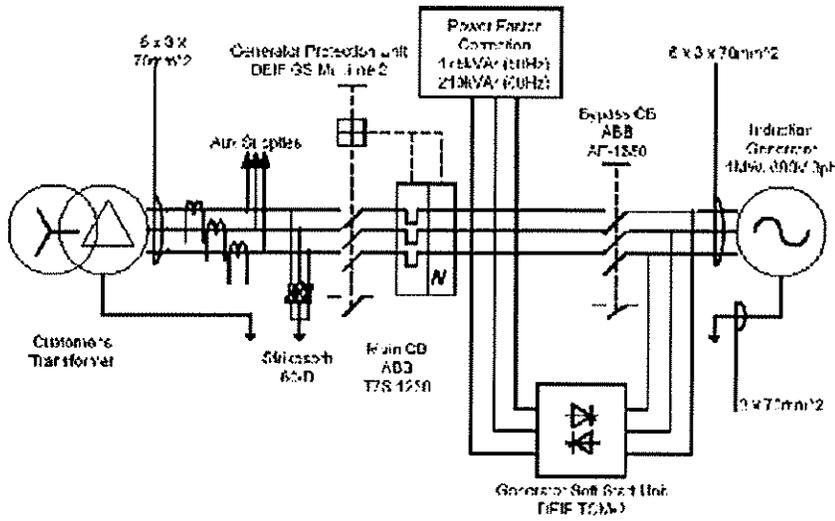


Figure 1 Electrical power system

EXHIBIT B
Form of Notice

All of the deliverables hereunder, including any required notice (collectively, a "Notice"), must be in writing signed by the Party that is giving the Notice. Such Notice shall be considered given either (i) when delivered to the recipient named below, whether by a courier or an overnight delivery service or (ii) when sent, if sent by facsimile during normal business hours, or otherwise on the next business day, to the number set forth below subject to the confirmation of a successful transmission, in each case addressed by name and address to the Party and the officer or representative of such Party intended as follows (or to such other address as either Party may notify the other in writing):

If delivered to CITY:

City of Wayne
306 Pearl Street
Wayne, Nebraska 68787
Attn: City Clerk, Betty McGuire
Fax: (402) 375-4712

If delivered to SELLER:

Renewable Energy Development, LLC
6722 West 146th Terrace
Suite 6101
Overland Park, KS 66223
Attn: Fred Cramer
Facsimile: (913) 402-7416

Either party may, by giving notice at any time or from time to time, require subsequent notice to be given to another individual, whether a party or an officer or representative of a party, or to a different address, or both. Notices given before actual receipt of notice of change shall not be invalidated by the change.

