

City of Seward, NE

Tuesday, May 17, 2016

Regular Session

Item G7

CONSIDERATION OF A POWER PURCHASE AGREEMENT WITH BLUESTEM ENERGY - Bruce Smith

Administrative Report: Bluestem Energy Solutions, DBA Seward LLC is asking for us to sign the Power Purchase Agreement which would require us to buy all of the energy generated by the proposed 1.7MW wind turbine. We have been in discussions with Bluestem and have made changes to the initial PPA. We have also worked with NPPD to make sure the language in the PPA works in conjunction with our 20 year wholesale power purchase contract Seward has with NPPD. I would recommend we discuss the PPA then go into Executive Session to discuss the pricing proposal. After the executive session, return to open session to vote on the PPA with Bluestem.

Staff Contact:

POWER PURCHASE AGREEMENT

between

The City of Seward

and

Seward Wind, LLC

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EXHIBIT A FORM OF ATTESTATION OF ENVIRONMENTAL ATTRIBUTES

This POWER PURCHASE AGREEMENT ("Agreement") made effective as of the 2nd day of May, 2016, by and between The City of Seward, Nebraska, a political subdivision of the State of Nebraska (hereinafter "Purchaser") and Seward Wind LLC, a Nebraska limited liability company (hereinafter "Seller").

WITNESSETH:

WHEREAS, Purchaser is authorized by the State of Nebraska to purchase electricity; and

WHEREAS, Seller desires to enter into an agreement with Purchaser to sell Purchased Power (as hereinafter defined) from a single wind energy facility (the "Plant") with a Capacity (as hereinafter defined) of no more than 1.7 MW; and

WHEREAS, Seller intends to construct the Plant in Seward County, Nebraska; and

WHEREAS, Purchaser has agreed to buy Purchased Power from the Plant in accordance with the provisions of this Agreement.

NOW, THEREFORE, in consideration of the premises, the mutual promises and agreements set forth herein and other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the Parties do hereby agree as follows:

**SECTION 1
DEFINITIONS**

In addition to the initially capitalized terms and phrases set forth in the above recitals, and those set forth in the Schedules attached to this Agreement, the following initially capitalized terms and phrases as and when used in this Agreement shall have the respective meanings set forth below:

- 1.1 "Accredited Capacity" shall mean net capability as defined in the SPP Criteria.
- 1.2 "Affiliate" shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.
- 1.3 "Agreement" refers to this Agreement, including any and all amendments hereto that are executed after the date hereof.
- 1.4 "Bankruptcy Proceeding" means, with respect to a Party, that such Party (i) makes any general assignment or any general arrangement for the benefit of creditors, (ii) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy or similar law for the protection of creditors, or has such a petition involuntarily filed

against it and such petition is not withdrawn or dismissed within thirty (30) Days after such filing, (iii) otherwise becomes bankrupt or insolvent (however evidenced), (iv) is unable (or admits in writing its inability) generally to pay its debts as they fall due, (v) is dissolved (other than pursuant to a consolidation, acquisition, amalgamation or merger), (vi) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, acquisition, amalgamation or merger), (vii) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for all or substantially all of its assets, (viii) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) Days thereafter, (ix) causes or is subject to any event with respect to which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) to (viii) (inclusive); or (x) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

- 1.5** "Business Day" means a day on which the Federal Reserve Member Banks in Nebraska are open for business; and a Business Day shall open at 8:00 a.m. and close at 5:00 p.m. local time in Omaha, Nebraska.
- 1.6** "Capacity" means the same as "capability" for electric power supply, and refers to the maximum electric generation, less losses to the Interconnection and energy used by Plant, that the "Plant" can be expected to supply to the electric transmission system under specified conditions for a given time interval. The Capacity of generating equipment is generally expressed in MW.
- 1.7** "C-BED Project" is a project that satisfies the requirements for a community-based wind energy development project set forth in the C-BED Statute and as confirmed by the Nebraska Department of Revenue.
- 1.8** "C-BED Statute" means the Rural Community-Based Energy Development Act, Nebraska Revised Statutes sections 70-1901, et seq., as amended.
- 1.9** "Commercial Operation Date" means 12:01 a.m. on the first Day of the Month following the Day when the Plant is ready to deliver power and energy, and the same has been tested and is ready to be placed in continuous normal operation. Seller will notify Purchaser when the Commercial Operation Date of the Plant has been determined.
- 1.10** "Commercially Reasonable" or "Commercially Reasonable Efforts" means, with respect to any action required to be made, attempted or taken by a Party under this Agreement, such efforts as a reasonable prudent business Person would undertake for the protection of its own interest under the conditions affecting

such action, including without limitation, the amount of notice of the need to take such action and the duration and type of action.

- 1.11** "Committed Nameplate Capacity" means total maximum designed power output of all installed Wind Turbines of the Plant net of in-plant usage. The Committed Nameplate Capacity is that which Seller agrees to construct and maintain in order to sell Purchased Power to Purchaser pursuant to Section 5.4 of this Agreement.
- 1.12** "Confidential Information" means information about the real, personal and intellectual properties, finances, operations, development strategies, business plans and other business information of each Party, which is designated as "Confidential" in accordance with Section 18. Confidential Information, when disclosed in written, machine readable, or other tangible form by one Party to the other Party, shall be clearly marked as "Confidential." Information which is disclosed orally and is promptly followed by a written summary of the oral disclosure which identifies the material as "Confidential" shall be treated as Confidential Information and used only according to the terms of Section 18.
- 1.13** "Contract Year" means each twelve-month period beginning on the first January 1 following the Commercial Operation Date, except that Contract Year 1 shall commence on the Commercial Operation Date as defined in Paragraph 1.8 and shall include the remaining calendar days of the calendar year that includes the Commercial Operation Date plus the following calendar year.
- 1.14** "Cost of the Seller" means all costs paid for exclusively by the Seller or designee and will not be charged to or reimbursed by Purchaser.
- 1.15** "Day" means a calendar day.
- 1.16** "Delivered Energy" means the total Energy from the Plant in MWh delivered to the Delivery Point and metered and is net of any station use.
- 1.17** "Delivery Point" shall have the meaning specified in Section 7.1 and as set forth on Exhibit B.
- 1.18** "Due Date" shall have the meaning specified in Section 6.1.
- 1.19** "Effective Date" shall be the date first written above.
- 1.20** "Energy" means the amount of electricity generated by the Plant net of Plant use, over a period of time, as expressed in units of megawatt hours (MWh).
- 1.21** "Environmental Attributes" means all current and future attributes of an environmental or other nature, known or unknown at the time of this Agreement, including allowances, certificates, emission credits and all other credits, offsets, green tags and all other tags, and all similar rights issued, recognized, created or otherwise resulting from the existence, ownership or operation of the Plant, the

generation of Energy using wind, and the sale and delivery of wind-generated Purchased Power to Purchaser. Environmental Attributes include, but shall not be limited to, those attributes that are created or recognized by regulations, statutes, or other action by a Governmental Authority, and include, but shall not be limited to, those attributes that can be used to 1) claim responsibility for the reduction of emissions and/or pollutants, 2) claim ownership of emission and/or pollutant reduction rights, 3) claim reduction or avoidance of emissions or pollutants, and 4) claim compliance with a renewable energy standard or renewable portfolio standard. Emissions and pollutants as referred to above include, but are not limited to, acid rain precursors, carbon dioxide, carbon monoxide, chlorinated hydrocarbons, greenhouse gases, mercury, metals, methane, nitrogen oxides, nitrogen-oxygen compounds, ozone precursors, particulate matter, sulfur dioxide, toxic air pollutants, other carbon and sulfur compounds, and similar or dissimilar pollutants, emissions, or contaminants of air, water or soil. Environmental Attributes do not include any of the following: Production Tax Credits (PTCs), Investment Tax Credits (ITCs), any and all other grants or loan guarantees, and any and all other tax credits or tax benefits, including accelerated depreciation, associated with the ownership or operation of the Plant or property and sales tax exemptions.

- 1.22** "Event of Default" or "Default" means either a Purchaser or a Seller Default, all as specified in Section 13.
- 1.23** "Force Majeure" shall have the meaning and effect specified in Section 13.5.
- 1.24** "Generator Interconnection Agreement" or "GIA" shall mean the agreement entered into between Seller and Purchaser, which provides for the terms and requirements for the Seller to interconnect its Plant to the electric system of Purchaser and for Purchaser to take the electricity from the Plant from that point.
- 1.25** "Governmental Authority" means any municipal, local, state, regional or federal administrative, legal, judicial or executive agency, court, commission, department or other such entity of competent jurisdiction, but excluding Purchaser and any such agency, commission, department or other such entity acting in its capacity as lender or guarantor.
- 1.26** "Guaranteed Price" means a year-by-year price expressed in dollars per MWh, based upon the date of generation, as specified in Section 5.3.
- 1.27** "Investment Tax Credit" or "ITC" means tax credits or cash payments applicable to electricity produced from certain renewable resources pursuant to 26 U.S.C. § 48, as amended or succeeded, which tax credits or payments give Seller (or its owners) the right to receive a refundable federal income tax credit or cash payment based on investment in any portion of the Plant.
- 1.28** "Late Payment Rate" shall have the meaning specified in Section 6.2.

- 1.29** "Law" means any law, code, statute, regulation, writ, decree, rule, ordinance, resolution, judgment, injunction, order or other legal or regulatory requirement of a Governmental Authority having jurisdiction over the matter in question, which is valid and applicable to the matter in question (i) at the time of the execution of this Agreement, as amended from time to time, or (ii) anytime thereafter during the Term.
- 1.30** "Legal Proceeding" means any suit, proceeding, judgment, ruling or order by or before any Governmental Authority.
- 1.31** "Month" means a calendar month, commencing at the beginning of the first Day of such calendar month. "Monthly" has a meaning correlative to that of "Month".
- .
- 1.32** "MW" means, in the singular context, one megawatt, and in the plural context, megawatts.
- 1.33** "MWh" means, in the singular context, one megawatt hour, and in the plural context, means megawatt hours.
- 1.34** NPPD, The Nebraska Public Power District which is the Purchasers electric supplier.
- 1.35** "Party" or "Parties" means either Purchaser or Seller, or both.
- 1.36** "Person" means any individual, corporation, partnership, joint venture, limited liability company, trust, unincorporated organization, Governmental Authority or other entity, including the Parties.
- 1.37** "Plant" means the Wind Turbines and facilities owned by Seller and located on the Site for the generation of wind powered energy and delivery of such energy to the Delivery Point, as more fully described in Schedule 1. Plant includes the Seller's Interconnection Facilities.
- 1.38** "Production Tax Credits" or "PTCs" means tax credits applicable to electricity produced from certain renewable resources pursuant to 26 U.S.C. § 45, as amended or succeeded, which tax credits provide Seller (or its owners) with a federal income tax credit based on electricity production from any portion of the Plant.
- 1.39** "Prudent Utility Practice" means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry prior to such time, or any of the practices, methods and acts, which in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired results at the lowest reasonable cost consistent with good business practices, reliability, safety and expedition. Prudent Utility Practice is not intended to be limited to the optimum

practice, method or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts generally acceptable in the region in light of the circumstances.

- 1.40 "Purchased Power" means the aggregate of Capacity of the Plant up to 1.7 MW, Delivered Energy.
- 1.41 "Seller's Interconnection Facilities" shall have the meaning specified in the GIA.
- 1.42 "Site" means the parcel(s) of real property on which the Plant will be constructed and located, including any easements, rights-of-way, surface use agreements and other interests or rights in real estate reasonably necessary for the construction, operation and maintenance of the Plant and Seller's Interconnection Facilities. The Site is generally described on Schedule 1. As Seller acquires land, leaseholders, easements and other real property rights for the Plant, Seller shall provide Purchaser with a description of the same.
- 1.43 "SPP" refers to the Southwest Power Pool.
- 1.44 "Station and System Operating Procedures" shall have the meaning specified in Section 8.1 and Schedule 2 attached hereto.
- 1.45 "Term" shall have the meaning specified in Section 3.1.
- 1.46 "Unavailable" means, with respect to the Plant, a physical state in which the Plant is not capable of providing Purchased Power, or in which Purchased Power is not delivered because other equipment or facility of Seller is not capable of performing its intended purpose. Unavailable does not include periods during which wind speeds are not within the design limits of the Wind Turbines, resulting in no Delivered Energy.
- 1.47 "Wind Turbines" means those electric generating devices powered by the wind that are included in the Plant.

SECTION 2 REPRESENTATIONS, WARRANTIES AND COVENANTS

2.1 Representations, Warranties and Covenants of Purchaser. Purchaser hereby makes the following representations, warranties and covenants to Seller as of the Effective Date:

- 2.1.1 Purchaser is duly organized, validly existing and in good standing under the Laws of the State of Nebraska, and has the legal power and authority to conduct its business and to enter into this Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

- 2.1.2 This Agreement constitutes the legal, valid and binding obligation of Purchaser, enforceable in accordance with its terms, except as enforceability may be limited by Laws affecting the rights of creditors generally.
- 2.1.3 There is no pending, or to the knowledge of Purchaser, threatened action or proceeding affecting Purchaser before any Governmental Authority which purports to affect the legality, validity or enforceability of this Agreement as in effect on the date hereof.
- 2.1.4 There are no approvals, authorizations, consents, or other action required by any Governmental Authority necessary to authorize Purchaser's execution and delivery of this Agreement.
- 2.1.5 The execution and performance of this Agreement does not conflict with or constitute a breach or default under any contract or agreement of any kind to which Purchaser is a party or any judgment, order, statute, or regulation that is applicable to Purchaser, including Purchasers all requirements wholesale power contract with the Nebraska Public Power District.

2.2 Representations, Warranties and Covenants of Seller. Seller hereby makes the following representations, warranties and covenants to Purchaser as of the Effective Date:

- 2.2.1 Seller is a limited liability company created and existing under the Laws of the State of Nebraska and has the legal power and authority to conduct its business and to enter into this Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.
- 2.2.2 The execution, delivery and performance by Seller of this Agreement have been duly authorized by all necessary action.
- 2.2.3 This Agreement constitutes the legal, valid and binding obligation of Seller, enforceable in accordance with its terms, except as enforceability may be limited by Laws affecting the rights of creditors generally.
- 2.2.4 There is no pending, or to the knowledge of Seller, threatened action or proceeding affecting Seller before any Governmental Authority which purports to affect the legality, validity or enforceability of this Agreement as in effect on the date hereof.

- 2.2.5 The execution and performance of this Agreement does 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.
- 2.2.6 There are no approvals, authorizations, consents, or other action required by any Governmental Authority necessary to authorize Seller's execution and delivery of this Agreement.

SECTION 3 TERM OF AGREEMENT

- 3.1 Term.** This Agreement shall become effective on the Effective Date and shall remain in effect until the end of the twenty-fifth (25th) Contract Year (the "Term"); provided that, (i) after January 1 of the twenty-fourth (24th) Contract Year, Seller shall deliver to Purchaser an offer notice to extend the Term for ten (10) Contract Years at Guaranteed Prices stated in the offer notice, and (ii) if within ninety (90) Days after receipt of Seller's offer notice, Purchaser delivers to Seller a notice irrevocably electing to extend the Term for ten (10) Contract Years, the Term shall be extended until the end of the thirty-fifth (35th) Contract Year at the Guaranteed Prices set forth in Seller's offer notice; and provided further that, (i) after January 1 of the thirty-fourth (34th) Contract Year, Seller shall deliver to Purchaser an offer notice to extend the Term for ten (10) Contract Years at Guaranteed Prices stated in the offer notice, and (ii) if within ninety (90) Days after receipt of Seller's offer notice, Purchaser delivers to Seller a notice irrevocably electing to extend the Term for ten (10) Contract Years, the Term shall be extended until the end of the forth-fifth (45th) Contract Year at the Guaranteed Prices set forth in Seller's offer notice.

SECTION 4 PLANT

- 4.1 Plant.** Seller intends to construct, own, operate and maintain the Plant and Seller's Interconnection Facilities in accordance with this Agreement and the GIA. Upon the request of Purchaser, Seller will provide information regarding the progress of the construction of the Plant, and will with or without any request by Purchaser, immediately provide written notice of the Commercial Operation Date when the same has been determined. Purchaser will purchase prior to the Commercial Operation Date, any and all Energy that is produced by the Plant and is capable of being considered "Delivered Energy" and shall pay the same price as set forth in Section 5.3 for Contract Year 1, provided, however, that such purchase shall not change or set the commencement date of Contract Year 1.
- 4.2 Construction, Operation and Maintenance.** Seller intends to construct, solely own, operate and maintain the Plant in a manner which will at all times meet the requirements of this Agreement. Seller shall act in accordance with the provisions of the Generator Interconnection Agreement, with Prudent Utility

Practices and use Commercially Reasonable Efforts in the construction, operation and maintenance of the Plant.

- 4.3 Permits and Approvals.** Seller shall take full responsibility for applying for, satisfying, and maintaining all necessary permits and approvals for construction, operation, and maintenance of the Plant. Among other things, Seller shall obtain any necessary federal approval to construct and operate the Plant under Public Utilities Regulatory Policies Act (PURPA) Qualifying Facility policies, procedures and requirements. Purchaser will cooperate by assisting with these processes for obtaining permits and approvals.
- 4.4 Contingent Agreement.** This Agreement and the obligations hereunder are contingent upon the GIA being in full force and effect and Seller's not being in Default under the GIA (as defined therein) during the Term of this Agreement.

SECTION 5 PURCHASE AND SALE OBLIGATION

- 5.1 Purchase Obligation.** Purchaser's obligation to buy Purchased Power from the Plant shall commence on the Commercial Operation Date as determined in accordance with Section 4.1. Prior to Commercial Operation Date, Purchaser will buy Delivered Energy in accordance with Section 4.1. For any Delivered Energy purchased and sold pursuant to this Agreement, Seller shall utilize the invoicing procedures set forth in Section 6.
- 5.2 Sale and Purchase**
- 5.2.1 Seller agrees to sell the entire Purchased Power produced by or attributable to the Plant to Purchaser during the Term and to deliver all Energy generated by the Plant at the Delivery Point during the Term, subject to the terms of this Agreement. Purchaser agrees to purchase the entire Purchased Power during the Term and to accept delivery of all the Delivered Energy at the Delivery Point during the Term, subject to the terms of this Agreement. Seller shall not sell or contract to sell Energy or Environmental Attributes from the Plant to any Person other than Purchaser for the Term and Seller acknowledges that Purchaser is entitled to receive all Purchased Power from the Plant during the Term.
- 5.2.2 No fuel other than wind will be used to produce Energy from the Plant for the Term of this Agreement, unless the Parties mutually agree otherwise in writing.
- 5.2.3 In addition to Delivered Energy, Seller hereby sells, transfers and conveys to Purchaser, all of Seller's right, title and interest in and to ninety five percent percent (95%) of the Environmental Attributes that now exist or are hereafter created or recognized as a result of the

existence, ownership, or operation of the Plant during the Term. Purchaser's rights to the Environmental Attributes will terminate upon the cancellation or other termination of this Agreement prior to the expiration of the Term, but shall not be affected by the fact that Purchaser is for any other reason not receiving the Purchased Power of the Plant at any time or times. Seller agrees that it will provide to Purchaser one or more bills of sale, or other documentation that Purchaser might from time to time request, to help Purchaser establish or evidence Purchaser's absolute and unconditional right, title and interest in and to the Environmental Attributes, and Seller further acknowledges and agrees that this Agreement may be used by Purchaser to establish or evidence Purchaser's absolute and unconditional right, title and interest.

5.2.4 Purchaser shall be responsible for scheduling Delivered Energy deliveries at the Delivery Point, and shall be responsible for all transmission line losses, transmission and ancillary service arrangements and costs required to deliver such energy beyond the Delivery Point. Seller shall cooperate with Purchaser in connection with scheduling and provide Purchaser with information reasonably available to enable Purchaser to schedule deliveries.

5.3 Guaranteed Price. On and after the Commercial Operation Date, Purchaser shall pay Seller the following Guaranteed Price for the Purchased Power during the applicable Contract Year or as established pursuant to Section 3.1:

Contract Year	(\$MWh of Purchased Power)
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5.4 Committed Nameplate Capacity. Seller agrees that the Committed Nameplate Capacity shall not exceed 1.7 MW and that the Committed Nameplate Capacity shall include only Purchased Power produced from wind at the Plant.

**SECTION 6
PAYMENTS AND BILLING**

6.1 Payment. Purchaser's payment to Seller for Purchased Power shall be made by electronic transfer of funds by the "Due Date," which is fifteen (15) Days after the invoice is received by Purchaser as set forth in Section 6.2. Purchaser shall make payments to a bank account as designated from time to time by Seller. If

such Due Date falls on a non-Business Day, such Due Date shall be the next Business Day. Purchaser shall be entitled to conclusively presume, without any liability whatsoever, that the payment information furnished by Seller (including name, financial institution, account numbers, payee, etc.) is accurate.

6.2 Billing. Purchaser shall read the meter at the Delivery Point at the end of each Month of the Term, and provide the meter data to Seller via e-mail within three (3) Business Days of the reading. Purchaser will also telemeter generation data on an instantaneous basis to its System Control Center. Seller shall create an invoice for Purchased Power based upon the meter data for Delivered Energy and the Guaranteed Price terms of this Agreement, and the invoice shall be sent to the Energy Manager at Purchaser or an individual designated by Purchaser.

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 billing statement. Such late payment charge shall be calculated based on an annual interest rate equal to the Prime Rate plus 200 basis points but in no event shall such interest exceed the maximum interest rate permitted by Law (the "Late Payment Rate"). If the Due Date occurs on a Day that is not a Business Day, the late payment charge shall begin to accrue on the next succeeding Business Day.

6.3 Billing Disputes. Either Party may dispute invoiced amounts, but shall pay to the other Party at least the undisputed portion of invoiced amounts on or before the invoice Due Date. To resolve any billing dispute, either Party may commence a Legal Proceeding in accordance with Section 19.7. When the billing dispute is resolved, the Party owing shall pay the amount owed within five (5) Business Days of the date of such resolution, with late payment interest charges calculated on the amount owed at the Late Payment Rate. A billing dispute shall not constitute an Event of Default provided that the disputing party complies with the requirements of this Section 6.3.

6.4 Plant and Site Electric Service. Seller shall be billed for and pay Purchaser for electric service to the Plant and Site during such times that Seller is receiving electric service from Purchaser, pursuant to the appropriate and nondiscriminatory Purchaser rate schedule then in effect for such electric service and subject to Purchaser's compliance with any applicable service area agreement with the local retail supplier. Seller is permitted to use energy generated by the Plant for Wind Turbines and Seller's Interconnection Facilities use.

SECTION 7 DELIVERY POINT

7.1 Delivery Point. The "Delivery Point" shall be located at the 12.5 or 34.5 kV point of interconnection. Such interconnection may require the approval of the appropriate reliability entity (i.e., SPP or equivalent thereof). Except as provided in the Generator Interconnection Agreement, all costs associated with any

upgrades and/or additions necessary to connect the Plant to the Delivery Point (including, but not limited to, all expenditures necessary to obtain reliability approval), shall be considered Cost of the Seller and in accordance with the Generator Interconnection Agreement. Purchaser shall timely cooperate with Seller with respect to all interconnection studies or other documents or agreements necessary for Seller to perform its obligations under this Agreement.

SECTION 8 STATION AND SYSTEM OPERATING PROCEDURES

8.1 Operating Procedures. All deliveries of Purchased Power to Purchaser shall be in accordance with the GIA and with any other written procedures determined jointly by Seller and Purchaser (the "Station and System Operating Procedures"), which the Parties may amend from time to time. The Station and System Operating Procedures shall provide for the day-to-day operational requirements of the Plant and Purchaser's electrical system, for the uncertainty of the wind, and for Commercially Reasonable Efforts for jointly projecting wind generation profiles on a Monthly, daily and hourly basis. Seller grants Purchaser the right to monitor and collect on a real-time basis all site meteorological, generation and operating data available to Seller that may assist Purchaser in forecasting expected production of Delivered Energy in a form and by a means agreed to by the Parties; provided that any Purchaser consultant and Purchaser is a party to an enforceable nondisclosure agreement with Seller in form and substance acceptable to Seller. In addition, Seller shall make available operating data, outage data, and other data as may be necessary for Purchaser to accredit the generation in SPP or by other regional transmission reliability or regional transmission system operations organization. Seller shall comply with applicable operating policies and reliability standards and protocols.

SECTION 9 METERING

9.1 Metering. Delivered Energy shall be metered the Delivery Point in such manner as determined by Purchaser and read by Purchaser, as provided for in the Generator Interconnection Agreement. Delivered Energy data shall be available in both hourly and monthly forms. Delivered Energy shall be the basis for billing, in accordance with Section 6.2. Purchaser shall have the right to audit such meters and such meter data at reasonable intervals and upon reasonable notice to Purchaser. All Wind Turbine generation metering equipment shall be provided, maintained and read by Seller. Access to the Site and Plant, meter testing and records shall be in accordance with the Generator Interconnection Agreement. Data from such generator meters may be of use to Purchaser in the case of interconnection meter failure or in establishing outage and accreditation reports. In such events, Purchaser shall have the right to request data from generator meters. All meter data shall constitute Confidential Information as to Purchaser, and Purchaser shall not disclose any meter data to any Person other than NPPD without Seller's prior written consent.

**SECTION 10
REORGANIZATIONS, TRANSFERS, SALES OF
ASSETS AND ASSIGNMENTS BY SELLER**

- 10.1 Eminent Domain.** Purchaser agrees that it will not seek to acquire the Plant or the Site through the exercise of its power of eminent domain during the Term of this Agreement.
- 10.2 Permitted Transactions.** Seller and any assignee, designee, mortgagee or successor of Seller (collectively "Seller Assignee") shall have the right, with Purchaser's prior consent or approval, which Purchaser shall not unreasonably withhold, at any time and from time to time, to assign, designate, pledge or encumber all or any part of its rights and obligations under this Agreement, provided that any such action by Seller shall not release Seller from its obligations under this Agreement, unless Seller and Seller Assignee expressly agree to such a release in writing, provided, however, that an assignment by Seller to an entity that Seller owns or controls shall not require or be subject to Purchaser's prior consent. Purchaser and any assignee, designee, mortgagee or successor of Purchaser (collectively "Purchaser Assignee") shall have the right, with Seller's prior written consent, which Seller shall not unreasonably withhold, at any time and from time to time, to assign all or any part of its rights and obligations under this Agreement, provided that any such action by Purchaser shall not release Purchaser from its obligations under this Agreement, unless Purchaser and Purchaser Assignee expressly agree to such a release in writing and Seller approves the release.
- 10.3 Specific Performance.** Each Party acknowledges and agrees that the failure or threatened failure to comply with the terms of this Section 10 may cause irreparable injury to the other Party, which cannot properly or adequately be compensated by the mere payment of money. The Parties agree, therefore, that in the event of a breach or threatened breach of this Section 10, in addition to any other remedies that may be available, the non-breaching Party shall have the right to obtain from any competent court a decree enjoining such breach or threatened breach of this Section 10 or providing that the terms of this Section 10 be specifically enforced.

**SECTION 11
INSURANCE AND PLANT DISPOSAL**

- 11.1 Insurance.** Each Party shall, at its own expense, maintain in force throughout the period of this Agreement, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in the state of Nebraska:
- 11.1.1 Employers' liability and workers' compensation insurance providing statutory benefits in accordance with the laws and regulations of the state of Nebraska.

- 11.1.2 Commercial general liability insurance, including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of one million dollars (\$1,000,000) per occurrence/one million dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.
- 11.1.3 Comprehensive automobile liability insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of one million dollars (\$1,000,000) per occurrence for bodily injury, including death and property damage.
- 11.1.4 Excess public liability insurance over and above the employers' liability commercial general liability and comprehensive automobile liability insurance coverage, with a minimum combined single limit of four million dollars (\$4,000,000) per occurrence/four million dollars (\$4,000,000) aggregate.
- 11.1.5 The commercial general liability insurance, comprehensive automobile insurance and excess public liability insurance policies shall name the other Party, its respective parent, associated and Affiliate companies and its respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this Agreement against the Other Party Group and provide thirty (30) Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.
- 11.1.6 The commercial general liability insurance, comprehensive automobile liability insurance and excess public liability insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.
- 11.1.7 The commercial general liability insurance, comprehensive automobile liability insurance and excess public liability insurance policies, if written

on a claims first made basis, shall be maintained in full force and effect for two (2) years after termination of this Agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

11.1.8 Within thirty (30) days of receiving a written request by the other Party, each Party shall provide to the requesting Party certification of all insurance required in this Agreement, executed by each insurer or by an authorized representative of each insurer.

11.1.9 Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Sections 11.4.1 through 11.4.8 to the extent it maintains a self-insurance program. Should a Party elect to self-insure to meet the minimum insurance requirements of Sections 11.4.1 through 11.4.8, that Party shall provide documentation that the self-insurance program meets the minimum insurance requirements of this Agreement.

11.2 Casualty Risks. Seller shall insure the Plant against physical loss or damage as provided above. In the event of a casualty Seller shall use Commercially Reasonable Efforts to make repairs or rebuild the Plant, and shall apply any insurance proceeds from the casualty to the extent necessary to make such repairs.

11.3 Plant Disposal. Seller shall disconnect and may remove and may sell or transfer or dispose of any portion of the Plant that is replaced or is obsolete or unnecessary for Seller to be able to perform its obligations hereunder in accordance with Prudent Utility Practices.

SECTION 12 RECORDS

12.1 Records. Each Party shall create and maintain records sufficient to establish its compliance with all of its obligations under this Agreement, and shall make the same available to the other Party for inspection at all reasonable times.

SECTION 13 EVENTS OF DEFAULT

13.1 Events of Default by Purchaser. The following shall each constitute an Event of Default by Purchaser:

13.1.1 After the Commercial Operation Date, Purchaser refuses to purchase Delivered Energy for either ten (10) consecutive Days or twenty (20) nonconsecutive Days in any three hundred and sixty-five (365) Day period for any reason other than a Force Majeure condition (as hereinafter defined).

- 13.1.2 Purchaser fails to make any undisputed payment due under this Agreement within ten (10) Days after such payment is due and fails to cure such default within twenty (20) Days after written notice from Seller.
- 13.1.3 Purchaser substantially breaches any other material obligation under this Agreement, and fails to cure such Default or breach within thirty (30) Days after written notification by Seller of the breach. Provided however, that in the case of an Event of Default described above by Purchaser, failure to complete the cure of such Default or breach within the thirty (30) Day period after Seller notice shall not constitute an Event of Default if the breach is not capable of being cured within thirty (30) Days and Purchaser begins the cure within the thirty (30) Day period and uses Commercially Reasonable Efforts to cure the Default or breach within sixty (60) Days (as extended for a Force Majeure event).

13.2 Events of Default by Seller. The following shall each constitute an Event of Default by Seller:

- 13.2.1 Seller fails to make any undisputed payment due under this Agreement within ten (10) Days after such payments are due and fails to cure such default within twenty (20) Days of the written notice from Purchaser.
- 13.2.2 At any time following the Commercial Operation Date, the Plant is Unavailable to provide Delivered Energy for one-hundred eighty (180) consecutive Days for any reason other than a Force Majeure event after notice to Seller from Purchaser, and Seller fails to initiate within one-hundred eighty (180) Days or ceases for a period of three-hundred sixty (360) Days to pursue Commercially Reasonable Efforts to restore the Committed Nameplate Capacity of the Plant.
- 13.2.3 Seller carries out any of the Transactions prohibited by Section 10.2 without the written approval of Purchaser.
- 13.2.4 Seller substantially breaches any other material obligation under this Agreement and fails to cure such Default or breach within thirty (30) Days after written notification by Purchaser of the breach. Provided however, that in the case of an Event of Default described above by Seller, failure to complete the cure of such Default or breach within the thirty (30) Day period after Purchaser's notice shall not constitute an Event of Default if the breach is not capable of being cured within thirty (30) Days and Seller begins the cure within the thirty (30) Day period and uses Commercially Reasonable Efforts to cure the Default or breach within sixty (60) Days (as extended for a Force Majeure event).

13.3 Termination for Cause. If any Event of Default as defined in Section 13.1 or 13.2 has occurred, the non-defaulting Party may provide written notice to the defaulting Party specifying the basis for its belief that such event has occurred, and that the Agreement may be terminated unless the Event of Default is cured within thirty (30) Days of the written notice of intent to terminate or such longer cure period as the Parties may agree or is provided in Section 13.1.3 and Sections 13.2.2 and 13.2.4. If the Event of Default has not been fully cured within the thirty (30) Day cure period, or such longer cure period as the Parties might have agreed or is provided in Section 13.1.3 and Sections 13.2.2 and 13.2.4, then the non-defaulting Party may thereafter terminate this Agreement by providing written notice of termination.

13.4 Non-Exclusive Remedy. If either Party provides a notice of termination to the other under this Section 13, all provisions of this Agreement, and all rights and obligations of the Parties hereunder, will continue in full force and effect from and after the date of the notice of termination until the effective date of termination, including any right, remedy or liability resulting from nonperformance or other breach of the Agreement that occurs prior to the effective date of termination. If either Party terminates for cause, then such non-defaulting Party shall have no further obligations under this Agreement to the defaulting Party from and after the date of such termination.

The rights to terminate set out in this Section 13 are in addition to any other right or remedy provided under this Agreement, or now or hereafter existing at law or in equity or by statute, and the exercise of said right shall not be deemed as a waiver or relinquishment by the terminating Party of any of its other rights or remedies, including any right to recover damages for any breach of this Agreement or for any unperformed balance.

13.5 Force Majeure. The term "Force Majeure" as used herein, shall mean any cause or causes not reasonably within the control and without the fault or negligence of the affected Party which wholly or partly prevents the performance of any of its obligations under this Agreement, including, without limitation by enumeration, acts of God, acts of the public enemy, acts of terrorism or threats thereof (or actions to prevent the same), blockades, strikes or differences with workmen, civil disturbances, fires, explosions, storms, floods, landslides, washouts, labor and material shortages, boycotts, breakdowns of or damage to equipment or facilities and actions to prevent the same, interruptions to supply or delays in transportation, embargoes, inability to obtain or renew a necessary license, permit or approval, acts of military authorities, acts of local, state or federal agencies or regulatory bodies, court actions, bankruptcy court actions, arrests and restraints. Force Majeure does not include the inability of Seller to obtain financing, property, equipment or materials necessary to construct the Plant.

If an event defined as Force Majeure occurs, and the affected Party is unable to carry out any of its obligations under this Agreement, then upon the affected

Party giving written notice to the other Party of such Force Majeure, the affected Party's obligations shall be suspended from and after the date of the Force Majeure specified in the notice to the extent made necessary by such Force Majeure and during its continuance. The notice shall specify in detail (to the extent known) the nature of the Force Majeure, the obligations which the affected Party is unable to perform or furnish due to Force Majeure, and the affected Party's best estimate of the probable duration of the Force Majeure. The affected Party shall use Commercially Reasonable Efforts to eliminate and cure such Force Majeure insofar as possible and with a minimum of delay, and to resume full performance of its obligations.

SECTION 14 WAIVERS

- 14.1 Waivers.** Any waiver at any time by either Party of its rights with respect to any default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any other default or matter.

SECTION 15 NOTICES

- 15.1 Notices.** Any notice or demand under or required by this Agreement shall be in writing and shall be deemed properly given when (i) mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

To Seller: Bluestem Energy Solutions, LLC
 Attention: Adam Herink
 4361 Lafayette Street
 Omaha, Nebraska 68131
 Fax: (402) 553-5894

Copy to:
Bluestem Energy Solutions, Inc.
Attention: Jon Crane
4361 Lafayette Street
Omaha, Nebraska 68131
Fax: (402) 553-5894

Copy to:
Baird Holm LLP
Attention: David Levy
1700 Farnam Street, Suite 1500
Omaha, Nebraska 68102
Fax: (402) 344-0588

To Purchaser: City of Seward
Attention: Bruce Smith
537 Main Street
PO Box 38
Seward, NE 68434
Fax: (402)643-6491

Copy to:
Mattson Ricketts Law Firm
Attention: Kelly R. Hoffschneider
134 S. 13th Street, Suite 1200
Lincoln, NE 68508
Fax: (402)475-0105

(ii) when sent by telefax or e-mail, provided such telefax or e-mail is confirmed by United States registered or certified mail, postage prepaid, return receipt requested, (iii) when sent by overnight courier to the address provided in clause (i), (iv) such other method as agreed to by the Parties in writing, or (v) to such other address as may be designated in writing by the Parties.

SECTION 16 SUCCESSORS AND ASSIGNS

16.1 Binding Effect

16.1.1 All rights and obligations under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of the respective Parties. Any assignment made in violation of Section 10 shall be void and of no force or effect as against the non-consenting Party.

16.1.2 No sale, assignment, transfer or other disposition permitted by this Agreement shall affect, release or discharge either Party from its rights or obligations under this Agreement, except as may be expressly provided by this Agreement.

16.2 Receiver or Trustee in Bankruptcy. The Parties intend that the obligations of Purchaser under this Agreement shall not be affected by a Bankruptcy Proceeding or a receiver, a trustee in bankruptcy or an indenture trustee taking charge of or foreclosing upon the assets or business of Seller, and that such receiver, trustee or indenture trustee may exercise all of the rights of, and make all of the determinations provided to be made in this Agreement.

SECTION 17
INDEMNIFICATION AND LIMITATION OF LIABILITY

17.1 Indemnity. Purchaser expressly agrees to indemnify, hold harmless and defend Seller against any and all claims, liability, costs or expenses (including reasonable attorneys' fees and expenses) for loss, damage or injury to Persons or property directly connected with or growing out of, the transmission or distribution of Purchased Power after the Delivery Point, unless such loss, damage or injury is the result of bad faith, gross negligence, or reckless or willful misconduct of or attributable to Seller.

Seller expressly agrees to indemnify, hold harmless and defend Purchaser against any and all claims, liability, costs or expenses (including reasonable attorneys' fees and expenses) for loss, damage or injury to Persons or property directly connected with or growing out of, the generation, transmission, or distribution of Purchased Power up to the Delivery Point, unless such loss, damage or injury is the result of bad faith, gross negligence, or reckless or willful misconduct of or attributable to Purchaser.

17.2 No Liability to Third Parties. Nothing herein shall create, or be interpreted as creating any standard of care with reference to, or any duty or liability to any Person not a Party.

17.3 No Consequential Damages. To the fullest extent permitted by Law and notwithstanding anything to the contrary herein, in no event shall either Party be liable to the other for punitive, indirect, exemplary, consequential, or incidental damages including, without limitation, claims of customers of the indemnified Party arising in connection with this Agreement.

SECTION 18
CONFIDENTIAL INFORMATION

18.1 Use of Confidential Information. During the course of this Agreement, the Parties may disclose to each other certain Confidential Information, by either oral or written communications. To constitute Confidential Information for purposes of this Agreement, the same shall be clearly so designated (if oral) or conspicuously so marked (if tangible) by the disclosing Party. The Parties hereby deem Section 5 to constitute Confidential Information and otherwise not be subject to public disclosure, but the Agreement otherwise is not Confidential Information. These disclosures have been or will be made upon the basis of the confidential relationship between the Parties, and unless specifically authorized in writing by the other, the Parties will:

18.1.1 Use such Confidential Information solely for purposes contemplated by this Agreement; and

18.1.2 Promptly return to each other, upon request, any and all tangible material concerning such Confidential Information, including all copies

and notes, or destroy the same and provide the other Party with a written statement that such destruction has occurred; provided that a Party may retain a copy with its legal counsel or general counsel to show compliance with this Section. Under no circumstances shall any Confidential Information or copy thereof be retained, except with the express written approval of the owner of such Confidential Information.

18.2 Nondisclosure

18.2.1 Each Party agrees that it will use reasonable care to prevent unauthorized disclosure of Confidential Information. Neither Party will make any copies of Confidential Information that is in written or other tangible form except for use by authorized Persons with a need to know in connection with this Agreement (including contractors and subcontractors), and all Persons having access to Confidential Information shall agree to comply with the terms of this Agreement.

18.2.2 Each Party agrees not to distribute, disclose or disseminate Confidential Information in any way to anyone, except Persons who have such need to know (including contractors and subcontractors), or use Confidential Information for its own purpose. Each Party agrees that its disclosure of Confidential Information to a Person who has a need to know shall be limited to only so much of the Confidential Information as is necessary for that Person to perform his/her function in connection with the Confidential Information.

18.3 Exceptions. The obligations imposed in this Section 18 shall not apply to Confidential Information:

18.3.1 Which becomes available to the public through no wrongful act of the receiving Party;

18.3.2 Which may be published or otherwise made available to the public prior to the date hereof;

18.3.3 Which is received from a third party without restriction known to the receiving Party and without breach of this Agreement;

18.3.4 Which is independently developed by the receiving Party;

18.3.5 Which is disclosed to a director, officer or legal counsel of the disclosing Party, or to its outside accountants, auditors, rating agencies, financial advisors, legal counsel, lenders, underwriters, or the counsel of any thereof;

18.3.6 Which must be disclosed pursuant to any Law (including, but not limited to, the Nebraska Public Meetings Law and the Nebraska Public

Records Act, Neb. Rev. Stat. § 84-712.01 et seq.) or the C-BED Statute. If disclosure is requested or demanded as to Confidential Information pursuant to any Law, the Party receiving the request or demand shall provide the owner of such Confidential Information with prompt notice to enable the owner to seek protective legal remedies, and the receiving Party shall reasonably cooperate in connection therewith; or

- 18.3.7 Which is disclosed pursuant to a confidentiality agreement to which Seller is a party.

SECTION 19 MISCELLANEOUS

- 19.1 Amendments.** This Agreement may be amended by agreement between Seller and Purchaser, but no such amendment to this Agreement shall be effective unless it is in writing, executed by both Parties.
- 19.2 Approvals.** Any approval required under this Agreement shall be given in writing and notice of such approval shall be required before any action is taken.
- 19.3 Entire Agreement.** This Agreement (together with the Generator Interconnection Agreement) constitutes the entire agreement between the Parties relating to the subject matter contemplated by this Agreement and supersedes all prior agreements, whether oral or written.
- 19.4 Counterparts.** This Agreement may be executed in multiple counterparts to be construed as one.
- 19.5 Severability.** If any part, term or provision of this Agreement is held by a Governmental Authority to be unenforceable, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if this Agreement did not contain the particular part, term, or provision held to be unenforceable, and a new provision shall be deemed to be substituted in lieu of the provision so severed which new provision shall, to the extent possible, accomplish the intent of the Parties hereto as evidenced by the provision so severed.
- 19.6 Governing Law.** This Agreement shall be governed by, and construed in accordance with, the Laws of the State of Nebraska without regard to conflict of Law principles.
- 19.7 Jurisdiction.** In the event any Party to this Agreement commences a Legal Proceeding in connection with or relating to this Agreement, the Parties hereby:
- 19.7.1 Agree under all circumstances absolutely and irrevocably to institute any Legal Proceeding in a court of competent jurisdiction located within the State of Nebraska, whether a state or federal court; and

19.7.2 Agree that in the event of any Legal Proceeding, the Parties will consent and submit to the personal jurisdiction of any such court located in Nebraska.

19.8 No Third-Party Beneficiaries. Seller and Purchaser agree that no other Person is an intended third-party beneficiary of this Agreement, except as may be provided in a separate instrument executed by both Seller and Purchaser.

19.9 Rules of Construction

19.9.1 The descriptive headings of the various articles, sections and subsections of this Agreement have been inserted for convenience of reference only and shall not be construed as to define, expand, or restrict the rights and obligations of the Parties.

19.9.2 Wherever the term "including" is used in this Agreement, such term shall not be construed as limiting the generality of any statement, clause, phrase or term.

19.9.3 The terms defined in this Agreement shall include the plural as well as the singular and the singular as well as the plural.

19.9.4 Whenever a statute, code, regulation is used in this Agreement, such term shall also include all successor statutes, codes and regulations.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives effective the Day and year first above written.

SELLER

BLUESTEM ENERGY SOLUTIONS, LLC

By: _____

Name: _____

Title: _____

Date: _____

PURCHASER

THE CITY OF SEWARD, NEBRASKA

By: _____

Name: _____

Title: _____

Date: _____

ATTEST for PURCHASER

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A

**Form of Attestation of Environmental Attributes
Renewable Energy Credit [Environmental Attributes] Attestation and Transfer**

Bluestem Energy Solutions, LLC ("Seller") hereby sells, transfers and delivers to _____ ("Purchaser") the Renewable Energy Credits ("RECs") [Environmental Attributes], described below associated with the wind Energy generated (as such Energy is defined in the Power Purchase Agreement (the "Agreement"), dated _____, 20____, between Purchaser and Seller). Seller hereby attests and certifies that such wind Energy was delivered to Purchaser's transmission system on or about the date identified and that Seller holds good and merchantable title to the RECs [Environmental Attributes] identified below.

Facility name and location: _____, near _____, Nebraska
Energy Source: Wind
Capacity (MW): _____ MW
Operational Date: _____, 20____

Wind Generator Identification Number: DOE EIA # _____

<u>Dates</u>	<u>MWh generated</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Seller further attests, warrants, and represents as follows:

- i) The information provided herein is true and correct;
- ii) Seller holds good and merchantable title to the RECs [Environmental Attributes] identified for sale herein and that the sale to Purchaser is its one and only sale of the above identified RECs [and the associated Environmental Attributes] referenced herein;
- iii) The Bluestem Energy Solutions Wind Energy Facility generated and delivered to Purchaser's transmission system the wind Energy in the amount indicated as undifferentiated energy; and

Exhibit A

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- iv) Each of the RECs [Environmental Attributes] associated with the generation of the wind Energy for delivery to Purchaser has been generated and sold from the Bluestem Energy Solutions Wind Energy Facility on or about the date specified above.
- v) The foregoing RECs [Environmental Attributes] and associated RECs [Environmental Attributes] are transferred free and clear of any liens or security interests.

Pursuant to this **Renewable Energy Credit [Environmental Attributes] Attestation and Transfer**, Seller transfers to Purchaser all of Seller's right, title, and interest in and to the RECs [and Environmental Attributes] associated with the generation of the wind Energy for delivery to Purchaser.

BLUESTEM ENERGY SOLUTIONS, LLC

By: _____

Name: _____

Title: _____

Date: _____

SCHEDULE 1

The plant will consist of:

1. One 1.7 MW wind turbines, each having:
 - a. One generator(s) with a rated capacity of 1.7 MW;
 - b. Three (3) - bladed rotor with 103-foot or less diameter;
 - c. One hub;
 - d. One nacelle;
 - e. One top and one bottom controller capable of accepting FAA lighting alarm; and
2. One steel tower(s) for 80meter hub each consisting of two sections and one foundation embedment section.
3. One (1) SCADA system, including:
 - a. One wind park server for monitoring and control as well as for visualization; and
 - b. Corresponding software for the wind park server for collection, storage and reproduction of all data of the turbines which are important for the monitoring and operation of the turbines including visualization tool for online data and data of the collection as well as fault detection.
4. One foundation(s) for the wind turbines meeting the turbine manufacturers' specifications.

Schedule 1

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