

RESTATEMENT AND MODIFICATION TO
INDENTURE OF LEASE

STATE OF GEORGIA
COUNTY OF LOWNDES

THIS RESTATEMENT AND MODIFICATION TO INDENTURE OF LEASE by and between the **VALDOSTA-LOWNDES COUNTY INDUSTRIAL AUTHORITY**, an instrumentality of the State of Georgia created by an act of the General Assembly of the State of Georgia, as Lessor and **WIREGRASS POWER, LLC**, a Georgia Limited Liability Company as Lessee, dated August 12, 2009.

W I T N E S S E T H:

1. **Definitions.** The following terms as defined below are used generally in this Lease. Additional terms as employed in the specific sections hereunder are defined pursuant to those sections.

1.1 **Agreement.** The term "Agreement" is defined as that Development Agreement between the Lessor and Lessee dated of even date herewith, as amended from time to time.

1.2 **Commencement Date.** The term "Commencement Date" is defined as June 15, 2011.

1.3 **Improvements.** The term "Improvements" means, collectively, any and all buildings, structures and other permanent improvements to the real estate of every nature, character and description located as of the date hereof, and any and all fixtures located therein and specifically including ductwork and heating, ventilating and air conditioning (other than personal property). The Improvements include, without limitation, all improvements to the Land and fixtures contemplated by the Project except personal property and equipment.

1.4 **Land.** The term "Land" is defined as all that tract or parcel of land situate, lying and being in the City of Valdosta, Lowndes County, Georgia, and being 22.2-Acre tract or parcel of land located in Land Lot 155 of the 11th Land District of Lowndes County, Georgia, as depicted on that certain survey attached as Exhibit "A" and made a part hereof by due reference thereto.

1.5 **Lease.** The term "Lease" is defined as the Indenture of Lease, as amended from time to time.

1.6 **Leased Property.** The term "Leased Property" is defined as the Land and Improvements. No equipment or personal property shall be included in this lease.

1.7 Permanent Lease Term Commencement Date. The term "Permanent Lease Term Commencement Date" is defined as the date construction of the Project is substantially complete, as determined in a certificate to that effect to be delivered by Lessee to Lessor.

1.8 Project. The term "Project" is defined in the Agreement and for purposes of this Lease the term "Project" shall have the same meaning as defined in the Agreement.

2. LEASE OF LEASED PROPERTY AND TERM OF LEASE.

2.1 Lease. Lessor, in consideration of the rents, covenants, agreements and conditions herein set forth does hereby lease, let, demise and rent to Lessee, and Lessee does hereby rent and lease from Lessor, all right, title and interest of Lessor in and to the Leased Property. The interest in the Leased Property created hereby shall be deemed to be an estate for years under the laws of the State of Georgia.

TO HAVE AND TO HOLD the Leased Property and all rights, privileges and appurtenances thereto appertaining unto Lessee for and during the Lease Term as hereinafter defined, unless sooner terminated in accordance with the provisions of this Lease.

2.2 Term. The Term of this Lease shall commence on the Commencement Date and end at midnight on the later of (i) May 31, 2022 or (ii) that date which is ten (10) years after the Permanent Lease Term Commencement Date, unless sooner terminated as hereinafter provided (hereinafter called "Lease Term").

2.3 Rent. The Lessee agrees to pay to the Lessor a one-time payment of \$140,000.00 as rent (the "Rent") for the entire Lease Term. A failure to pay the \$140,000.00 will terminate this Agreement and Lessee shall have no further rights in this Agreement and/or the Development Agreement.

All rents payable hereunder shall be paid in lawful money of the United States of America at the time of payment, which shall be legal tender for the payment of all public and private debts to Lessor at the address of Lessor as hereinafter set forth.

2.4 Representations and Warranties of the Lessor and Additional Undertakings With Regard to the Project. The Lessor represents and warrants to Lessee the following:

2.4.1 The Lessor is relying on a title insurance policy purchased by Lessor which indicates Lessor has good and marketable fee simple title to the Leased Property, free and clear of all mortgages, security deeds, other security instruments, liens, encumbrances, tenancy and restrictions of any kind and any nature except for current Lowndes County ad valorem taxes for the year 2010 not yet due and payable, for which the Lessor hereby agrees to pay, and general utility easements not adversely affecting the Leased Property or the intended use thereof for the operation of a distribution facility (the "Intended Use").

2.4.2 Lessor warrants that lessee shall be granted peaceable and quiet enjoyment of the demised premises free from any eviction or interference by Lessor.

2.4.3 Lessor warrants and represents that the Leased Property shall be free of any pollution, contamination, or hazardous substance which would violate any local, state or federal environmental law or regulation affecting the Leased Property. Lessor further warrants and represents that not later than September 30, 2009, Lessor will cause to take place a Phase I environmental audit of the Leased Property and that the Phase I audit will be provided to Lessee.

2.4.4 The Leased Property is properly zoned IS (Intensive Services) for use as a biomass energy generation facility.

2.4.5 Additional Undertakings of the Lessor With Regard to Project.

2.4.5.1 The Lessor shall own and lease the Project to Lessee for One Hundred Twenty (120) months for the Rent paid, plus any annual or monthly rentals computed to be the amount required to amortize any indebtedness and/or bond payments, if such instruments are employed. Lessee shall have the right to terminate the Lease at any time upon written notice to Lessor and purchase the Leased Property and Project for the sum of Two Hundred Thousand and no/100 (\$200,000.00) Dollars, less any credit applicable hereto. Further, in the event Lessee does not create 80% of the job estimates outlined in this section and make \$80,000,000.00 in capital investments in the Project, Lessee agrees to reimburse the Authority \$230,000.00 at such time as Lessee exercises its option to purchase said property under the Indenture of Lease. Lessee must achieve the job estimates and capital investment within twelve (12) months of the Project completion date.

2.5 Representations and Warranties of the Lessee and Additional Undertakings With Regard to the Project. With regard to the Project, Lessee covenants and agrees as follows:

2.5.1 On or before January 15, 2010, Lessee will pay to the Lessor \$140,000.00 as a one-time payment of rent for the Lease Term. A failure to pay the \$140,000.00 will terminate this Agreement and Lessee shall have no further rights in this Agreement and/or the Development Agreement.

2.5.2 On or before September 1, 2010, Lessee will pay the Lessor the sum of \$30,000.00 for the right to extend the commencement of construction and installation of the Project from September 1, 2010 to June 1, 2011.

2.5.3 Construction and installation of the Project shall commence as soon as feasible but in no event later than June 1, 2011 and will proceed with due diligence to completion, subject to delays caused by or resulting from acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; war; civil commotion; fire or other casualty; labor difficulties; general shortages of labor, materials or equipment; regulations, orders or restraints of any kind of the government of the United States or the State of Georgia or any of their departments, agencies, political subdivisions or officials or any civil or military authority; landslides; earthquakes;

floods; storms; explosions; breakage to or accidents to machinery; or any other cause or event beyond the control of Lessee.

2.5.4 As the Authority's agent, Lessee shall cause all work in connection with the Project to be completed in accordance with all local ordinances, building codes, statutes and regulations of proper public authorities bearing on construction and installation of the Project.

2.5.5 Lessee shall purchase and maintain, or shall cause Lessee's general contractor to purchase and maintain, during the Project construction, insurance insuring the improvements under construction to their full insurable value, against the perils of fire, extended coverage, vandalism and malicious mischief. Lessor shall be named as an additional insured under said insurance policy as its interest may appear, and certificates of such insurance shall be delivered to the Lessor prior to the commencement of the construction of the Project.

2.5.6 Upon completion of the construction and equipping of the Project and prior to the Permanent Lease Term Commencement Date (as defined in the Lease), Lessee agrees to submit to the Authority contractor and materialman lien affidavits from Lessee's general contractor for the purpose of satisfying the Lessor as to liens, except that if Lessee has a bona fide dispute with its general contractor, contractor or materialman, this requirement will be waived.

2.5.7 Lessee agrees to indemnify, defend and hold the Lessor and the individual directors, members, officers, agents and employees thereof harmless against any claim of loss or damage to the Property or any injury or death of any person or persons occurring in connection with the planning, design, construction, installation and carrying out of the Project for that portion attributable solely to the direct actions of Lessee and its employees.

2.5.8 Lessee agrees that it shall make within twenty-four (24) months of June 1, 2011, no less than a \$100,000,000.00 investment to construct and equip the Project (including but not limited to the value of all equipment associated with the Project, whether previously owned by Lessee or not, fixtures, building and improvements, including labor or similar costs to install or put into use any of the foregoing).

2.5.9 Lessee further agrees to construct a biomass electric generating plant according to the conditions stipulated in the Lowndes County Board of Commissioners Rezoning Notice of Decision (REZ-2009-05) on the Property. In the construction mentioned herein, Lessee agrees that it will, if feasible, give local contractors, suppliers and vendors an opportunity to bid for work with respect to the Project, subject to Lessee's standard qualification requirements.

2.5.10 Lessee agrees that once the Project is completed and the facility has been in operation for twelve (12) months it shall employ annually, on an average, twenty-five (25) full-time employees with an average hourly wage of \$20.00 per hour.

2.5.11 In the event Lessee does not invest at least \$100,000,000.00 to construct and equip the Project, employ annually on an average at least twenty-five (25) full-time

employees with an average hourly wage of \$20.00 per hour after construction of the facility is complete and the facility has been open for twelve (12) months, Lessee agrees to make a payment in lieu of property taxes to the City of Valdosta and Lowndes County, for the amount of the difference between the regular ad valorem tax payable on the Property as if the Authority were not the lessor over the amount payable on the leasehold interest of Lessee.

2.5.12 In the event Lessee does not create 80% of the job estimates outlined in this section and make \$80,000,000.00 in capital investments in the Project, Lessee agrees to reimburse Lessor \$230,000.00 at such time as Lessee exercises its option to purchase said property under the Indenture of Lease. Lessee must achieve the job estimates and capital investment within twelve (12) months of the Project completion date.

2.5.13 Lessee may, but is not obligated to, complete the construction/installation of a solar panel photovoltaic facility that will generate approximately 355 kilowatts of renewable energy for sale to Georgia utilities not later than six (6) months after an award and the receipt of a \$500,000.00 Georgia Environmental Facilities Authority (GEFA) Grant and the successful negotiation of a power purchase agreement with Georgia Power, a Georgia utility or Green Power EMC. The facility will be constructed on a two (2) acre tract adjacent to the biomass electric generating plant which will be provided to Lessee by the Lessor and/or the City of Valdosta. The Lessor will assist Lessee or an affiliate in negotiating and securing a 25-year lease term.

2.5.14 The provisions of this Section 2.5 shall survive the termination of this Agreement.

3. **OPTION TO PURCHASE LEASED PROPERTY.** Upon the giving of notice to Lessor at any time prior to or on the date of expiration of the Lease Term and provided Lessee is not in default in any material respect as defined in the events of default, Lessee is hereby granted an option to purchase the Leased Property for an amount equal to Two Hundred Thousand and 00/100 (\$200,000.00) Dollars (the "Purchase Price"). It is agreed by and between the parties that in the event the Lessee pays the Lessor the \$30,000.00 consideration mentioned in Section 2.5.2 above, and provided Lessee is not in default in any material respect as defined in this agreement, said \$30,000.00 will be a credit towards the option price of \$200,000.00. Further, as an additional Purchase Price in the event Lessee does not create 80% of the job estimates outlined in this section and make \$80,000,000.00 in capital investments within twelve (12) months after the facility is complete and the facility has opened, Lessee agrees to reimburse the Lessor an additional \$230,000.00 at such time as Lessee exercises its option to purchase said property under the Indenture of Lease. The closing of the purchase and sale shall be held at the offices of the Lessor on or before sixty (60) days following the date Lessee notifies Lessor of its exercise of the option granted herein. At closing, the Lessee shall deliver to Lessor Two Hundred Thousand and 00/100 (\$200,000.00) Dollars in cash less any credit applicable thereto as described above, and the \$230,000.00 consideration if applicable, and Lessor shall deliver to Lessee a Fee Simple Deed and Bill of Sale to the Leased Property subject only to current year's ad valorem taxes, easements and restrictive covenants of record and any liens or encumbrances created by the Lessee as hereinafter provided. Upon exercise of said option, the Agreement and this Lease shall terminate. In the event Lessor has an existing debt on the leased property, the Fee Simple Deed and/or the Bill of Sale to the leased

property will be subject to the existing debt. Lessor shall not, however, incur any debt secured by the Leased Property without the express written consent of the Lessee.

4. **MAINTENANCE, USE AND ALTERATION.**

4.1 **Use.** Lessee shall not use or occupy, or permit the use or occupancy of, the Land or the Improvements in any manner to create any nuisance or trespass or for any illegal purpose.

4.2 **Waste.** Lessee shall have the right at any time and from time to time to sell or dispose of any building, equipment or fixtures subject to this Lease which, in the sole judgement of Lessee, may have become obsolete or unfitted for use or which is no longer useful, necessary or desirable in the conduct of Lessee's business. Sale proceeds shall be the sole property of the Lessee.

4.3 **Compliance With Laws.** During the Lease Term Lessee shall diligently comply, at Lessee's own expense, with all present and future federal, state and local laws, acts, rules, requirements, orders, directions, ordinances and regulations, ordinary and extraordinary, foreseen or unforeseen, concerning the Lessee's leasehold interest. Lessee shall protect, hold harmless and indemnify Lessor against and from all fines, penalties, claim or claims for damages of every kind and nature arising solely out of any failure by Lessee to comply with any such laws, acts, rules, requirements, orders, directions, ordinances and regulations.

4.4 **Alterations.** The Lessee shall have the right to repair, renovate, alter, add to, or reconstruct as often as, and whenever it deems proper, the Improvements constructed on the Land.

5. **INSURANCE.**

5.1 **Coverage.** During the Lease Term, Lessee, at no cost and expense to Lessor, will keep and maintain insurance on the Improvements and Project fixtures or any replacements or substitutions therefor against loss or damage by fire. During the Lease Term, Lessee, at no cost and expense to Lessor, will keep and maintain general public liability insurance protecting and indemnifying Lessee and Lessor against any and all claims for damages to person or property or for loss of life or property occurring upon or in the Land and the Improvements and Project fixtures.

5.2 **Policies.** All insurance referred to in this Section 5 shall name the Lessor as an additional insured. Lessee shall deliver to Lessor a certificate of insurance or certified copy of the insurance policies. All policies of insurance required hereunder, except for the comprehensive general liability insurance and workers' compensation insurance, shall provide for payment of loss to Lessor, Lessee and any mortgagee, as their interest may appear.

6. **DAMAGES OR DESTRUCTION OF LEASED PROPERTY.** If any of the Improvements or Project fixtures shall be damaged or destroyed from any cause and whether protection shall have been obtained against such damage or destruction by insurance or not, Lessee covenants that it will, at its own cost and expense within ninety (90) days from the date of such

damage or destruction commence the removal of the remnants of the destroyed Improvement or Project fixtures or commence the work or repair, reconstruction, or replacement thereof and proceed with due diligence so that such Improvement and Project fixtures will have been repaired, reconstructed or replaced by other Improvements and Project fixtures, unless Lessee shall have declared that the Improvements or Project fixtures so damaged or destroyed shall have been obsolete or unsuitable for use or no longer necessary or desirable in Lessee's business, in which event Lessee shall be obligated only to remove the remnants of the damaged or destroyed Improvements or Project fixtures.

7. **CONDEMNATION.** If, at any time during the Lease Term, the Land or the Improvements or any part thereof be condemned or taken by the United States of America, the State of Georgia or any other authority or entity having the power of eminent domain, then the provision of this Section 7 shall apply to the condemnation proceedings and the distribution of any awards pertaining thereto. Provided however, that Lessee would have the full power to exercise its purchase option as provided for herein at any time prior to the effective date of the condemnation.

7.1 **Condemnation of Whole.** If title to the whole or substantially all of the Land and Improvements shall be taken in such condemnation proceedings (and "substantially all of the Land and the Improvements" shall be deemed to have been taken if the untaken portion or portions cannot be practically and economically used or converted for use by Lessee for the purposes for which the Land and the Improvements were being used immediately prior to the taking) this Lease shall expire on the date of such taking.

7.2 **Condemnation of Part.** If title to less than the whole or substantially all of the Land and the Improvements shall be taken in condemnation proceedings (and "substantially all of the Land and the Improvements" shall have the same meaning as ascribed in subsection 7.1), neither the Lease Term nor any provision of this Lease shall be affected in any manner and the condemnation proceeds shall be payable to the Lessee, subject to the rights of any Lender.

8. **AD VALOREM TAXES.** Except as limited by that covenant given to Lessee by Lessor under the Agreement and by section 2.4.1 above, Lessee shall pay during the Lease Term all real estate taxes and assessments and any and all other ad valorem taxes, charges and assessments with respect to the Leased Property. Lessee shall also pay all sales and use taxes imposed by the State of Georgia on all personal property, equipment and fixtures subject thereto.

9. **ASSIGNMENTS, SUBLEASES AND MORTGAGES.**

9.1 **Assignments.** Other than an assignment to an entity affiliated by ownership with Lessee or to another tenant who continues to operate a biomass electric generating plant on the property, without the prior written consent of Lessor, which consent shall not be unreasonably withheld, Lessee shall not assign or transfer all or any part of (i) the leasehold estate created by this Lease, (ii) the rights, powers, privileges, benefits, interest, obligations and options of Lessee under this Lease or (iii) the Improvements or any interest or estate therein (except for replacement or substitution of the Improvements). Notwithstanding the foregoing, without the consent of Lessor, (a) Lessee may at any time assign and transfer the leasehold estate and all other rights, powers,

privileges, benefits, interest, obligations and options of the Lessee hereunder to any entity controlled by, or in control of, or under common control with, the Lessee; and (b) Lessee or any assignee permitted under the preceding clause (a) may at any time assign and transfer the leasehold estate and all other rights, powers, privileges, benefits, interest, obligations and options to one or more creditors as collateral for any loan, financing, credit agreement or other financing arrangement for the benefit of Lessee or any entity that controls, is controlled by, or is under common control with, Lessee.

9.2 Subdividing and Subleasing. Lessee may not, without the prior written consent of Lessor, subdivide or sublet portions of the Land and the Improvements.

9.3 Lessee's Right to Mortgage. Lessee, (and, at the option of Lessee, any sublessee and every successor and assign of any sublessee) shall have the right, at any time and from time to time, in addition to any other right provided in this Lease, to encumber all of its right, title and interest under this Lease (or under any sublease) without Lessor's consent or approval under a Leasehold Mortgage, as that term is hereinafter defined, upon the condition that all rights acquired under the Leasehold Mortgage shall be subject to each of the covenants, provisions and agreements set forth in this Lease and to all rights and interest of the Lessor hereunder.

9.4 Rights of Leasehold Mortgagee. If, from time to time, Lessee (or any sublessee and its successors and assigns) shall encumber the Lessee's interest in this Lease (or any sublease) with a Leasehold Mortgage, and if the Leasehold Mortgagee, as that term is hereinafter defined, registers with Lessor by delivering to Lessor a copy of such recorded Leasehold Mortgage, together with written notice specifying the name and address of the Leasehold Mortgagee, Lessor agrees that from and after the date of receipt by Lessor of such notice and for so long as such Leasehold Mortgage shall remain unsatisfied of record, the following provisions shall apply:

(a) Definitions. The term "Leasehold Mortgage" as used in this Lease, shall include any encumbrance of this Lease and the interest of Lessee hereunder (or of a sublease of all or any portion of the Leased Property and the interest of the sublessee thereunder) as security for any indebtedness Lessee (or any sublessee and its successors and assigns), may incur, whether by deed to secure debt, mortgage, deed of trust, or other security instrument. The term "Leasehold Mortgagee" shall refer to holder or holders of the indebtedness secured by any Leasehold Mortgage.

(b) Notices. Lessor, upon delivering to Lessee any notice required to be given to Lessee by Lessor under this Lease, shall simultaneously deliver a copy of such notice to any Leasehold Mortgagee. The Leasehold Mortgagee shall then have the same period as Lessee after service of the notice to remedy or cause to be remedied the Default complained of. Any notice required to be given to any Leasehold Mortgagee shall be posted in the United States mail, postage prepaid, certified to the Leasehold Mortgagee at the address and to the attention of the person designated to Lessor by such Leasehold Mortgagee to receive copies of such notices and shall be deemed to have been delivered as of the date the said certified mail return receipt is postmarked by the United States Postal Service.

(c) Right to Cure. In addition to the rights granted to any Leasehold Mortgagee under Section 9.4(c) hereof, any Leasehold Mortgagee shall have an additional period of thirty (30) days to remedy or cause to be remedied any Default; or, if complete remedy is impossible within said thirty (30) days an additional period, not to exceed one (1) year in which to remedy the Default; provided such Leasehold Mortgagee shall reimburse Lessor, at the time of remedying the Default, for all reasonable and necessary costs and expenses of Lessor in maintaining, protecting and insuring the Leased Property during said additional period.

(d) Limitation on Right to Terminate. If Lessor shall elect to terminate this Lease by reason of any Default, the Leasehold Mortgagee shall have the right to postpone and extend the date of termination of this Lease for a period of not more than three (3) months from the expiration of the additional thirty (30) day period specified in Section 9.4(d) hereof, provided that the Leasehold Mortgagee shall have paid or caused to be cured any existing monetary Default and thereafter pay any Rent then due and forthwith commence necessary action to acquire Lessee's interest and estate secured by the Leasehold Mortgage by foreclosure thereof, or otherwise, and shall prosecute such action to completion with due diligence and continuity. If, at the end of the three (3) month period, the Leasehold Mortgagee shall be actively pursuing the acquisition of Lessee's interest hereunder, the time for Leasehold Mortgagee to comply with the requirements of this Section 9.4(e) shall be extended for such period as shall be reasonably necessary to complete said acquisition with reasonable diligence and continuity.

(e) Assignment. Lessor covenants and agrees that in the event of any foreclosure under any Leasehold Mortgage either by judicial proceedings, under power of sale contained therein, or assignment in lieu of foreclosure, all right, title and interest of Lessee under this Lease may, without the consent of Lessor, be assigned to and vested in the purchaser at such foreclosure subject and subordinate, however, to the rights and title of Lessor hereunder and, notwithstanding that Lessor's consent to said assignment had not been obtained, such assignee shall be vested with all right, title and interest of Lessee under this Lease as though Lessor had expressly consented thereto.

(f) New Lease. Lessor covenants and agrees that in the event of Lessor's termination of this Lease by reason of any Default, Lessor will enter into a new lease (hereinafter called the "New Lease") of the Leased Property with the Leasehold Mortgagee for the remainder of the Term of this Lease. The New Lease shall be (i) effective and commence as to the date of termination of this Lease, (ii) at the same Rent and upon the same terms, provisions, covenants and agreement as contained in this Lease, (iii) subject to the same conditions of title with respect to the Leased Property as existed on the date of the commencement date of this Lease and (iv) subject to the rights, if any, of parties then in possession (actual or constructive) of all or any part of the Leased Property. Lessor shall assign to the Leasehold Mortgagee, without recourse, warranty or representation of any kind all of Lessor's interest in any sublease made and executed pursuant to Section 9.2 hereof, if any, and provided further that:

(1) The Leasehold Mortgagee shall make written request upon Lessor for the execution of such New Lease within thirty (30) days after the date of Lessor's termination of this Lease which request shall be accompanied by payment to Lessor of sums then due Lessor by Lessee under this Lease.

(2) The Leasehold Mortgagee shall pay to Lessor at the time of the execution and delivery of the New Lease any sums (less any net income collected by Lessor from the date of the termination of this Lease through and including the date on which the New Lease is executed and delivered) that at the time of its execution and delivery would be due pursuant to this Lease but for the termination, and, in addition, all reasonable and necessary attorney's fees which Lessor shall have incurred by reason of any Default.

(3) The Leasehold Mortgagee shall perform and observe all covenants contained in the New Lease on Lessee's part to be performed and observed during the period the Leasehold Mortgagee is in possession of the Leased Property under the New Lease and shall further remedy any other condition that Lessee was obligated to remedy under the terms of this Lease.

(4) The New Lease shall be expressly subject to the rights, if any, of the Lessee under this Lease and to the rights, if any, of any sublessee (and any person claiming by, through or under any sublessee).

(5) The Leasehold Mortgagee shall assume all of the obligations of Lessor under any sublease.

(6) The Leasehold Mortgagee under the New Lease shall have the same right, title and interest in and to the Leased Property as Lessee had under this Lease.

(g) Rights of Leasehold Mortgagee. The rights granted a Leasehold Mortgagee under this Section shall extend to any Leasehold Mortgagee and shall be exercisable by each Leasehold Mortgagee as to any one portion of the Leased Property in the order of the respective priority of its Leasehold Mortgage, to the exclusion of those Leasehold Mortgages junior in priority.

(h) Limitation of Liability. Lessor covenants and agrees that any Leasehold Mortgagee permitted under this Lease shall not be liable or responsible in any manner for any of Lessee's obligations or covenants under this Lease unless and until such Leasehold Mortgagee becomes the owner of the leasehold estate of Lessee hereunder by foreclosure, assignment in lieu of foreclosure or otherwise, in which event such Leasehold Mortgagee shall remain liable for such obligations and covenants only so long as it remains the owner of said leasehold estate.

(i) Lessee, in addition to its right to encumber its leasehold estate as provided herein, shall have the right during the Term of this Lease to subject the Leased Property to a construction and/or permanent loan. The proceeds of any construction and/or permanent loan shall be used to pay for the Improvements constructed on the Leased Property, including any costs, commissions, reasonable fees and expenses incurred with respect thereto. For this purpose, Lessee may subject the Leased Property to construction and long-term Mortgages, or a combination construction and long-term Mortgages, pursuant to the terms set out hereinafter and may require the Lessor to join with the Lessee in the execution and delivery of any such Mortgages to pledge the fee ownership of the Leased Property held by Lessor, which Mortgages shall constitute a lien on or convey Lessor's fee simple interest in the Leased Property as collateral for debt as well as the

Improvements which may be erected thereon by the Lessee pursuant to provisions of this Lease. However, any Mortgage which the Lessor joins in pursuant to the provisions of this Section shall be herein referred to as "Fee Mortgage" and shall be without recourse to Lessor, the City of Valdosta, the County of Lowndes and the State of Georgia or any agency or political subdivision thereof. The loan(s) contemplated herein shall be made by an Institutional Lender, as that term is defined herein. Upon the expiration of the Lease or earlier termination of the Lease with or without default, said security deed shall be canceled of record and the fee simple interest in the Land pledged by Lessor thereunder shall be released by said mortgagee.

(j) The Fee Mortgage, or Fee Mortgages if a separate construction and permanent mortgage are obtained, shall provide that (i) Fee Mortgagee shall not assert and Lessor, the City of Valdosta, the County of Lowndes and the State of Georgia or any agency or political subdivision thereof shall not have any personal liability for the payment of any sum secured by any Fee Mortgage nor shall the Fee Mortgage include or create any obligation on the part of Lessor, the City of Valdosta, the County of Lowndes and the State of Georgia or any agency or political subdivision thereof to pay any sum or sums or to take any affirmative action with respect to the Fee Mortgage, promissory note secured thereby or any instrument of collateral thereto; and (ii) Lessor's warranties on the status of title to the Leased Property shall be limited warranties.

(k) Section 9 Definitions. The terms hereinafter set forth shall, for all purposes of the Lease, be defined as follows:

(i) The term "Mortgage" as used in this Lease shall include mortgages, deeds of trust, security deeds, any Leasehold Mortgage or Fee Mortgage, as the context of the use of the term requires. It shall also mean a mortgage, deed of trust, or security deed, as the case may be.

(ii) The term "Institutional Lender" as used in this Lease shall include within its meaning any bank, mortgage banking company, trust company, savings and loan association, small business investment company, real estate investment company or governmental agency.

(l) Lessee agrees to comply with all the terms and conditions of each Mortgage in which the Lessor has joined in and any default by Lessee under the terms and conditions of the Mortgages or the note secured thereby shall be a default under this Lease and Lessor shall have all the remedies set forth in this Lease regarding such default.

10. DEFAULT.

10.1 Acts of Default. The occurrence of any of the events, acts or circumstances described in Subsections 10.1.1 through 10.1.4 shall be and constitute a Default under this Lease.

10.1.1 Failure in Payment. Failure by Lessee to pay in full the Rent payable under this Lease on the date upon which such ought to be paid, and the continuance of such failure for ten (10) days after Lessor has given Lessee written notice of such failure.

10.1.2 Failure in Performance. Failure by Lessee to observe, perform or comply in any material respect with any of the terms, covenants, agreements or conditions contained in this Lease and the continuance of such failure for thirty (30) days after Lessor has given Lessee written notice of such failure, unless Lessee has commenced to cure such failure within such period of thirty (30) days and Lessee diligently and continuously prosecutes to completion such cure.

10.1.3 Voluntary Debtor Relief Proceedings. Filing by Lessee of a voluntary petition in bankruptcy or a voluntary petition or answer seeking reorganization, arrangement, composition, liquidation, dissolution or readjustment of the debts of Lessee or such other entity or for any other relief under the Bankruptcy Code, as amended, or under any other insolvency act law, rule or regulation, State or Federal, now or hereafter existing, or any action by Lessee indicating consent to, approval of or acquiescence in, any such petition or proceeding; the application by Lessee for, or the appointment by consent or acquiescence of, a receiver, liquidator or trustee of Lessee or for all or a substantial part of the property of Lessee; the making by Lessee of any general assignment for the benefit of the creditors of Lessee; or the inability of Lessee, or the admission of Lessee of the inability thereof, to pay the debts thereof as such mature.

10.1.4 Involuntary Debtor Relief Proceedings. The filing of any involuntary petition against Lessee in bankruptcy or seeking reorganization, arrangement, composition, liquidation, dissolution or readjustment of the debts of Lessee or for any other relief under the Bankruptcy Code, as amended, or under any other insolvency act, law, rule or regulation, State or Federal, now or hereafter existing; or the involuntary appointment of a receiver, liquidator or trustee of Lessee or for all or a substantial part of the property of Lessee or the issuance of attachment, execution or other similar process against any substantial part of the property of Lessee and the continuation of any such for a period of one hundred and eighty (180) days undismissed, unbonded or undischarged.

10.2 Force Majeure. For the purposes of any of the provisions of this Lease, neither Lessor nor Lessee, as the case may be, shall be considered in breach of, or default in, the obligations thereof with respect to this Lease in the event of enforced delay in the performance of such obligations due to unforeseeable causes beyond the control and without the fault or negligence thereof, including, but not restricted to, acts of God, acts of the public enemy, acts of the Federal Government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes and unusually severe weather or delays due to such causes; it being the purpose and intent of this Section 10.2 that in the event of the occurrence of any such enforced delay, the time or times for performance of the obligations of Lessor or Lessee, as the case may be, with respect to this Lease shall be extended for the period of the enforced delay.

10.3 Remedies. Whenever any event of default shall have happened, Lessor may, to the extent not prohibited by law, take any one or more of the remedial steps described in Subsections 10.3.1 through 10.3.3 after expiration of the Lessee's right to cure has expired as provided for in section 10.7 hereof.

10.3.1 Taking of Possession. Lessor may reenter and take possession of the Land and the Improvements without terminating this Lease, and sublease in their entirety the same for the account of Lessee, holding Lessee liable for the difference between (i) the Rent and other charges payable by Lessee hereunder and (ii) any subtenant rentals and other charges paid by a subtenant, if any.

10.3.2 Termination. Lessor may terminate the Lease Term and this Lease, exclude Lessee from possession of the Land and the Improvements and use Lessor's best efforts to lease the same to another entity for the account of Lessee, holding Lessee liable for all rent and other charges payable by Lessee hereunder.

10.3.3 Enforcement. Lessor may take whatever action at law or in equity may appear necessary or desirable to collect the rent and other charges then due and thereafter to become due or to enforce performance and observance of any obligation, agreement or covenant of Lessee under this Lease or the security deed, and in connection with either to recover any or all damages to Lessor for Lessee's violation or breach of this Lease.

10.4 No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative, and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default or event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

10.5 Holding Over. If Lessee does not exercise its option to purchase set forth in Section 3 within thirty (30) days after the expiration of the Lease Term, Lessee hereby agrees to surrender possession of the Land and the Improvements and personal property peaceably and promptly to Lessor upon the termination or expiration of the Lease Term and upon any reentry by Lessor as permitted by this Lease, and Lessor may thereupon enter upon, reenter, possess and repossess the Land, the Improvements, by summary proceedings, ejectment or otherwise, and may dispossess and remove Lessee and all other entities from the Land and the Improvements and may have, hold and enjoy the Land, the Improvements, fixtures and personal property and the right to receive all rental and other income therefrom, free of any right or claim of Lessee; but should Lessee, in breach of such covenant, refuse to surrender possession and instead hold over, Lessee shall be only a tenant at sufferance and not a tenant at will.

10.6 Interest from Maturity. All amounts of money payable by Lessee to Lessor hereunder (including, without limitation, rent) shall, if not paid when due, bear interest from the date due until paid at the highest contractual rate of interest allowed by applicable law to be charged with reference to such amounts, but in no event to exceed the rate of twelve percent (12%) per annum.

10.7 Right to Cure. Lessee shall have thirty (30) days after receipt of written notice of Default to cure the same.

11. MISCELLANEOUS PROVISIONS.

11.1 Recording and Filing. A memorandum hereof shall be filed for recordation in the Office of the Clerk of the Superior Court of Lowndes County, Georgia, and in such other location as may from time to time be provided by law as the proper place for recordation of this Lease or a memorandum thereof.

11.2 Lessor's Rights of Access. Lessee agrees that Lessor and Lessor's duly authorized agents shall have the right at all reasonable times during normal business hours upon not less than two (2) business days prior written notice to enter upon the Land and the Improvements and to examine and inspect the same, subject to federal, state or local laws limiting Lessor's rights in these regards (including without limitation laws governing control of or access to narcotics, controlled substances or other pharmaceutical products). Lessor hereby agrees that only the Executive Director of Lessor or its attorney, may make a scheduled entry with an escort designated by the President of Lessee after the execution of a Confidentiality Agreement provided by Lessee.

11.3 Notices. Each notice shall be deemed to have been properly given or served by the deposit of such with the United States Postal Service, or any official successor thereto, designated as registered or certified mail, return receipt requested, bearing adequate postage and addressed as hereinafter provided. Each notice shall be effective upon being deposited as aforesaid. The time period in which a response to any such notice must be given or any action taken with respect thereto, however, shall commence to run from the date of receipt on the return receipt of the notice by the addressee thereof. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice sent.

11.3.1 Notice to Lessor. Each notice to Lessor shall be addressed as follows:

Valdosta-Lowndes County Industrial Authority
Attn: Chairman
Post Office Box 1963
Valdosta, Georgia 31603-1963

With a copy to:
J. Stephen Gupton, Jr., Esquire
Post Office Box 1807
Valdosta, GA 31603-1807

11.3.2 Notice to Lessee. Each notice to Lessee shall be addressed as follows:

Wiregrass Power, LLC
Attn: Mr. Therrell Murphy, Jr.
3500 Parkway Lane – Suite 500
Norcross, GA 30092

With a copy to:
Lisa G. Shippel, Esquire
Rolader & Rolader, P.C.
Post Office Box 1357
Roswell, GA 30077

Tammi M. Cody, Esquire
Sterling Energy Assets
3500 Parkway Lane – Suite 500
Norcross, GA 30092

Each party shall have the right to change the address or name of the person to whom notices are delivered by notice to the other party.

11.4 Fees and Commissions. Lessor and Lessee each represent to the other that there are no claims for brokerage or other commissions or finder's or other similar fees in connection with the transactions contemplated by this Lease insofar as such claims shall be based on arrangements or agreements made by or on behalf of the party so representing. Lessor and Lessee agree to indemnify each other for any claims for brokerage or finder's or similar fees by any third party insofar as such claims shall be based on arrangements or agreements made by the indemnifying party.

11.5 Waiver. No consent or waiver, express or implied, by Lessor or Lessee to or of any breach or default by the other party in the performance by such other party of the obligations thereof under this Lease shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obligations of such other party under this Lease. Failure on the part of either Lessor or Lessee to complain of any act or failure to act of the other party or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver of such party of the rights thereof under this Lease.

11.6 Performance of Lessee's Obligations. If Lessee fails to perform any one or more of the obligations thereof under this Lease, in addition to the other rights of Lessor hereunder, Lessor shall have the right, but not the obligation, to perform such obligations. Upon receipt of a written demand with supporting data therefor Lessee shall reimburse Lessor for the reasonable cost of performing such obligations plus interest thereon as described in Section 10.6.

11.7 Severability. If any provision of this Lease or the application thereof to any entity or circumstance shall be invalid or unenforceable to any extent, the remainder of this Lease and the application of such provisions to any other entity or circumstance shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

11.8 Amendment. Neither this Lease nor any provision hereof may be changed except by an instrument in writing signed by the parties hereto.

11.9 Terminology. All personal pronouns used in this Lease, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural; and the plural shall include the singular. Unless otherwise expressly stated, titles of Articles, Sections, Subsections and Paragraphs of this Lease are for convenience only, and neither limit nor amplify the provisions of this Lease, and all references in this Lease of Articles, Sections, Subsections or Paragraphs shall refer to the corresponding Article, Section, Subsection or Paragraph

of this Lease unless specific reference is made to the articles, sections or subdivisions of another document or instrument.

11.10 Counterparts. This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall comprise but a single instrument.

11.11 Binding Agreement. Subject to the restrictions on transfers set forth herein, this Lease shall inure to the benefit of and be binding upon Lessor and Lessee and their respective successors and assigns. Whenever in this Lease a reference to Lessor, Lessee or any entity is made, such reference shall be deemed to include a reference to the successors and assigns of Lessor, Lessee or such entity.

11.12 Interpretation. No provision of this Lease shall be construed against or interpreted to the disadvantage of either Lessor or Lessee by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured or dictated such provision.

11.13 Governing Law. This Lease and the obligations of Lessor and Lessee hereunder shall be interpreted, construed and enforced in accordance with the Laws of the State of Georgia.

11.14 Relationship of Parties. No express or implied term, provision or condition of this Lease shall or shall be deemed to constitute Lessor and Lessee as partners or joint venturers.

11.15 Indemnity. Lessee is and shall be in exclusive control of the Land, the Improvements and Project fixtures, and Lessor shall not in any event whatsoever be liable for any injury or damage to any person or property happening on, in, about or in connection with the Land and the Improvements or any part thereof or the Project fixtures. Lessee shall indemnify and hold harmless Lessor from all claims, suits, actions and proceedings whatsoever which may be brought or instituted on account of, growing out of, occurring from, incident to or resulting from, directly or indirectly, any and all injuries or damages (including, without limitation, death) to persons or property arising solely out of the use and occupation of the Land or the Improvements or the Project fixtures by Lessee or solely from the performance by Lessee of the obligations of Lessee under this Lease, and all losses, costs, damages and expenses (including, without limitation, reasonable attorney's fees and other costs of defending against such claims, suits, actions and proceedings). Lessee shall assume on behalf of Lessor and conduct with due diligence and in good faith, the defense of all such claims, suits, actions and proceedings against Lessor, whether or not Lessee is joined therein, even if such claims, suits, actions or proceedings be groundless, false or fraudulent, and Lessee shall bear the costs of all judgments and settlements in connection therewith; provided, however, without relieving Lessee of the obligations of Lessee under this Lease, Lessor, at the election thereof, at its expense, may defend or participate in the defense of any or all of such claims, suits, actions or proceedings. Maintenance of the insurance referred to in this Lease shall not affect the obligations of Lessee under this Lease, and the limits of such insurance shall not constitute a limit on the liability of Lessee under this Section 11.15. Notwithstanding the foregoing, Lessee's

indemnity obligation under this Section 11.15 shall not apply to claims, suits, actions and proceedings whatsoever arising from the actions or omissions of Lessor, its agents, its employees and its contractors.

11.16 Lessor's Compliance With Laws. Lessor shall comply with all present and future federal, state and local laws generally applicable thereto.

11.17 Establishment of Completion Date. The completion date of the Project, which shall also be the Permanent Lease Term Commencement Date, shall be evidenced to the Lessor by a certificate signed by an authorized officer of the Lessee, stating that:

(a) the acquisition, construction and installation of the Project have been completed substantially in accordance with the plans and specifications therefor; and

(b) a certificate of occupancy, if required, and any other permissions required of governmental authorities for the occupancy of the Project have been obtained.

The Lessee agrees to furnish a copy of such certificate, if requested, to any mortgagee of Lessee or Institutional Lender at the same time such document is furnished to the Lessor.

[This space intentionally left blank.]

IN WITNESS WHEREOF, Lessor, acting by and through the proper and duly authorized officers of Lessor, and Lessee, acting by and through the respective proper and duly authorized officers of Lessee, have executed this Lease under seal, effective the day and year executed.

**VALDOSTA-LOWNDES COUNTY
INDUSTRIAL AUTHORITY**

By: *Jerry J. Jennett*
Jerry J. Jennett, Chairman

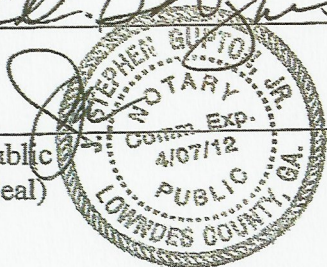
Attest: *Mary B. Gooding*
Mary B. Gooding, Secretary

(SEAL)

Signed, sealed and delivered
this 17th day of August, 2010,
in the presence of:

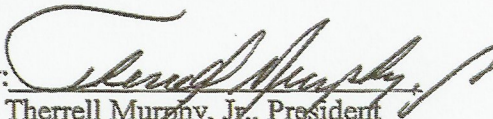
Vicki D. [Signature]
Witness

[Signature]
Notary Public
(Notary Seal)




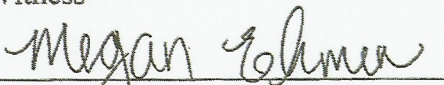
[SIGNATURES CONTINUED ON NEXT PAGE]

WIREGRASS POWER, LLC

By: 
Therrell Murphy, Jr., President

Signed, sealed and delivered
this 26 day of July, 2010,
in the presence of:


Witness


Notary Public
(Notary Seal)

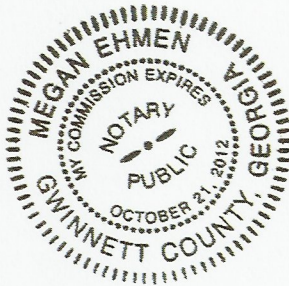


EXHIBIT "A"

LEGAL DESCRIPTION

All that tract or parcel of land situate, lying and being 22.2 Acres located in Land Lot 155 of the 11th Land District of Lowndes County, Georgia, and being that certain tract or parcel of land designated "Tract 2 – 22.200 Acres" described on that certain "Boundary Survey for Valdosta-Lowndes County Industrial Authority" dated January 18, 2010 and recorded in Plat Cabinet B, Page 326, to which tract or parcel are hereby referred in aid of description. The herein referred to tract or parcel of land is further described as:

All that tract or parcel of land lying and being 22.200 acres located in Land Lot 155 of the 11th Land District, Lowndes County, Georgia, and being more particularly described as follows: For a point of reference, commence at a point marking the intersection of the southern right of way line of State Route #94 (100' R/W) and the easterly right of way of Inner Perimeter Road, and proceed thence South 16 degrees 28 minutes 33 seconds West along the eastern right of way of Inner Perimeter Road for a distance of 392.05 feet to a ½" iron pin; proceed thence South 16 degrees 35 minutes 53 seconds West along the eastern right of way of Inner Perimeter Road for a distance of 590.31 feet to a 5/8" iron pin, being the POINT OF BEGINNING; thence proceed South 78 degrees 04 minutes 55 seconds East for a distance of 1259.31 feet to a 5/8" iron pin; thence proceed South 11 degrees 55 minutes 05 seconds West for a distance of 749.82 feet to a concrete marker; thence proceed North 78 degrees 04 minutes 55 seconds West for a distance of 1320.05 feet to a 5/8" iron pin, said iron pin being located on the eastern right of way of Inner Perimeter Road; thence proceed North 16 degrees 32 minutes 58 seconds East along the eastern right of way of Inner Perimeter Road for a distance of 752.28 feet to the 5/8" iron pin, being the POINT OF BEGINNING.

The above described property is a portion of Map 164 Parcel 025 according to the Lowndes County Board of Assessor's Office.