JASPER CLEAN ENERGY CENTER

Phase I Activity Report (Development Period)

Dated March 17, 2013 covering the Period February 2014

1. Project Description – (No Change from last Report)

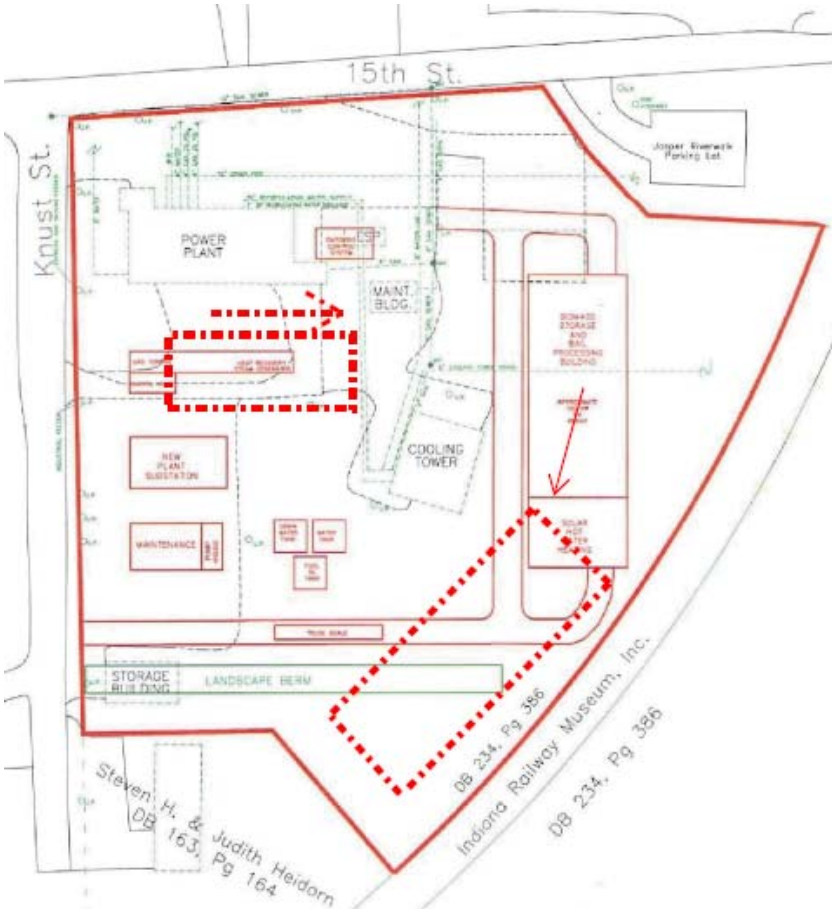
The Jasper Clean Energy Center (JCEC) will produce nominally 75 MW's of electricity by the installation of a new highly efficient natural gas fueled combustion gas turbine generator (CTG) and a new condensing steam turbine generator (STG). The steam supply for the STG will be supplied from a new waste heat recovery steam generator (HRSG) (which will produce steam by capturing the waste heat energy in the CTG exhaust) and from the existing Jasper Power Plant coal fueled stoker boiler (SB) which will be converted from burning coal to burn the renewable biomass fuel Miscanthus, a locally grown sustainable energy crop (biomass). The SB environmental controls will be upgraded to improve the control of SB emissions. The electric generated by the CTG and the STG will be combined in a new JCEC substation and transmitted to the Jasper North Substation by a new 69 kV generator interconnection line for sale to a third party under a long term power purchase agreement (PPPA). The CTG will require the construction of a new natural gas supply pipeline and the biomass supply for the SB will require the construction of an onsite biomass supply center (biomass receiving, storage, processing and fuel handling systems) (BSC). The BSC will have roof mounted solar PV and thermal collection modules. Prior to commencement of construction of the JCEC a number of permits must be obtained from the Indiana Department of Environmental Management (IDEM) and local construction permits from the City of Jasper, IN. (Permits).

2. Site Plan (Lease Exhibit 3) – (No Change from last Report)

FACILITY MAP

3. Planned changes to the Facility from that described in Exhibit 3 to the Lease. (No change from last Report)

The Jasper Clean Energy Center anticipates repositioning the Biomass Processing Building. A tentative location would be further south and west on the existing Site running parallel to the south east property line. Other changes might also involve the movement of the Combustion Turbine Generator and Heat Recovery Steam Generator further east from Kunst St. Below is a tentative repositioning of the equipment.



4. Status of Progress towards achieving Conditions Precedent specified in Section 3.03 of the Lease. –

   a) Environmental Permits (Schedule under review)

      Schedule under revision.

   b) Interconnection Agreement (Schedule under review)

      Schedule under revision.

   c) Power Sales Agreement

      Efforts continue to seek potential power purchase candidates. The MISO Long Term Power Market is struggling with impacts of EPA Regulations and prospect of low natural gas prices (for the next decade or longer) on economics of environmental upgrades to existing coal fired units and the construction of new high efficiency natural gas combined cycle units.

   d) Construction Funding (Schedule under Review)

      Schedule under revision

   e) Natural Gas Pipeline Agreement (Schedule under Review)

      Schedule under revision

   f) Governmental Approvals (Schedule under Review)

      Efforts will commence upon the execution of a Power Sales Agreement.

   g) 69 kV Service Line Agreement (Schedule under Review)

      Schedule under revision

   h) Tax Abatement (Schedule under Review)

      Efforts will commence upon the execution of a Power Sales Agreement.

5. Project Schedule (Schedule under Review)

   Schedule under revision

6. Material Activities during February 2013

a) Power Sales Agreement – Efforts continue to work on finding a Buyer for the Power to be produced by the Project.

7. Material Activities to take place during February 2014

Power Sales Agreement –Continue to monitor wholesale power market for opportunities.

8. Enumeration and Schedule of support or actions required of Lessor during the upcoming Period(s)

None at this time.