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SERVICE AGREEMENT

(Applicable only to Nashville Thermal Transfer
Corporation customers of record as of July 1, 2001)

Dated as of June 14, 2002

Between

501 Union Owners Association

and

**THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY**

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SERVICE AGREEMENT

THIS SERVICE AGREEMENT (the "Agreement") is dated as of June 14, 2002, by and between The Metropolitan Government of Nashville and Davidson County, acting solely as the provider of services under this Agreement ("Supplier"), and 501 Union Owners Association ("Customer") for the building(s) commonly known as 501 Union Building as described in detail in Annex D hereof (the "Premises").

RECITALS:

A. The capitalized terms in this Agreement set forth in Annex A hereto shall have the meanings specified therein;

B. The Supplier owns and, commencing on the Transition Date (as defined in Annex A), will operate a district heating and cooling system located in downtown Nashville, Tennessee;

C. The Customer currently has a contract with Nashville Thermal Transfer Corporation and desires to cancel all rights to that agreement and continue without interruption the purchase from the Supplier and the Supplier desires to provide to the Customer steam and/or chilled water ("Services") to heat and/or cool space within the Premises, on the terms and subject to the conditions set forth herein;

THEREFORE, the Supplier and the Customer agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. As used herein, the terms set forth in Annex A hereto shall have the meanings specified or referred to in Annex A and will apply equally to single and plural forms.

ARTICLE II

SERVICES

Section 2.1. Sale and Purchase. (a) Commencing on the Transition Date, the Supplier agrees to supply, and the Customer agrees to purchase, at the Delivery Point, the Services set forth in Annex B to meet all of the Customer's heating and/or cooling needs for the Premises, up to the Contract Capacity for the Services. The Supplier will supply to the Premises Services exceeding the Contract Capacity for non-recurring special occasions, subject to the receipt of a request from the Customer and System availability.

(b) The Customer agrees that throughout the Term of this Agreement the Supplier shall be the exclusive supplier of the Services for the Premises and covenants that it shall not operate any boilers, chillers or ancillary equipment located on the Premises in lieu of the Services, except that the Customer may operate its equipment for periodic testing, maintenance purposes or emergencies and during a Service Interruption by the Supplier. If it is the Supplier's reasonable judgment that a Service Interruption will last for more than an hour, the Supplier shall promptly notify the Customer of the Service Interruption along with an estimate of its expected duration, based on the most reliable information available.

(c) The Customer agrees that throughout the Term of this Agreement it will purchase all of its requirements up to the Contract Capacity for the Services for its Premises, as described in Annex D, from the Supplier. Notwithstanding the exclusivity clause in Section 2.1(b), if the Customer determines that its requirements for Services exceeds its Contract Capacity, the Customer may acquire the additional requirements of steam or chilled water service from any other source.

(d) Notwithstanding anything to the contrary contained in Subsection 2.1 (a), the Customer is not obligated to purchase, nor is the Supplier obligated to provide, Services for any expansion of the Premises. In the event the Customer seeks to obtain Services from the Supplier for such expansion, the Customer shall provide the Supplier with a written request at least twelve (12) months prior to the projected date Services are required for the expansion and a projected contract capacity following such expansion that the Customer proposes as the New Contract Capacity. The Supplier shall deliver a written response to the Customer not later than one month following receipt by the Supplier of the Customer's request for service. If the Supplier agrees to provide Services for the expansion and agrees to the New Contract Capacity, except for the costs associated with any Distribution System changes necessary to serve the expanded Premises, such additional Services shall be on the same terms and conditions as are set forth in this Agreement, and all references to Contract Capacity will mean the New Contract Capacity.

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(e) The Supplier agrees to use its best efforts to provide at the Delivery Point (i) if steam service is provided by the Supplier, steam at a pressure no lower than 150 Psig, and (ii) if chilled water service is provided by the Supplier, chilled water at a temperature no higher than 42°F. The Customer agrees to use its best efforts to provide at the Return Point, if chilled water service is provided by the Supplier, chilled water at a temperature no lower than the Customer Return Temperature contained in Annex B. If steam service is provided to the Customer, Customer shall use all reasonable efforts to return at the Return Point 100% of the condensate.

(f) If the steam or chilled water Service provided by the Supplier fails to meet the Service Standards due to the System Operator's unexcused fault and not due to the fault of the Customer or any other customer, and such failure by the Supplier to meet the Service Standards results in damage to the Customer's heating or cooling system, as applicable, the Supplier shall reimburse the Customer for the actual damages to the Customer's heating or cooling system incurred by the Customer directly attributed to such failure. The Customer shall notify the Supplier promptly of any failure by the Supplier to meet the Service Standards of which the Customer has knowledge, and the Customer shall use all reasonable efforts to mitigate any damage resulting from the Supplier's failure to meet the Service Standards. The Customer will maintain the quality of the water in the Premises heating and cooling system in accordance with the water quality specifications listed on Annex E.

Section 2.2. Charges. The Customer agrees to pay to the Supplier the following charges, as adjusted pursuant hereto, for services provided by the Supplier pursuant to this Agreement:

- (a) Contract Capacity Charge – an annual charge payable in equal monthly installments comprising the (a) Customer's Pro Rata Portion of the Base Steam Facilities Capital Cost, (b) Customer's Pro Rata Portion of the Base Chilled Water Facilities Capital Cost, (c) Customer's Pro Rata Portion of the Base Steam Facilities Fixed Operating Costs, and (d) Customer's Pro Rata Portion of the Base Chilled Water Facilities Fixed Operating Costs. During any Renewal Term of this Agreement, it is the intention of the parties that to the extent there is no System debt outstanding with respect to capital costs of the System, the applicable Steam Facilities Capital Cost and Chilled Water Facilities Capital Cost with respect to the initial bonds to be issued to finance the initial capital costs of improving the System shall be zero.
- (b) Pass Through Charges and Credits – an amount equal to the Customer's Pro Rata Portion of the following: charges permitted under Section 2.9, costs that are pass through costs or adjustments under a System Operating Agreement (other than pass through costs attributable to maintenance and repair of pipes and tunnels comprising the distribution system), and any other unforeseen and unbudgeted costs incurred in administering the System (provided that in no event shall the Supplier's administrative costs exceed the Incremental Costs), credits for expenses paid out of

insurance proceeds, and any other applicable credits or cost reductions. In lieu of paying the Customer's Pro Rata Share of costs attributable to maintenance and repair of pipes and tunnels comprising the distribution system as a pass through cost, the Customer shall pay, in addition to the Customer's Pro Rata Share of \$150,000 per year already included in the Base Steam/Chilled Water Facilities Fixed Operating Charges, escalated as set forth in the Initial System Operating Agreement or such other operating agreement as may then be in effect, the amount per year set forth in Annex B under the heading "Customer's Allocation of EDS Maintenance Costs", escalated at the same rate.

- (c) Energy Charge – an amount equal to the actual costs payable by the Supplier to a System Operator or other Persons for fuel or energy acquisition, delivery and management services (including any firming arrangements, and other related services), based on and allocable to actual energy usage by the Customer.
- (d) Thermal Inefficiency Fuel Surcharge – an amount calculated pursuant to Section 5.5 resulting from the Customer's failure to maintain its Delta T.

The Supplier shall properly select and apply the appropriate costs and escalators as shown in the System Operating Agreement to determine the basic costs for the charges listed above. To these basic costs, the Supplier may only add its Incremental Costs to administer this Agreement and the System Operating Agreement.

The Contract Capacity Charge will be payable for the first calendar month or portion thereof after the Transition Date and will be payable by the Customer in each calendar month thereafter regardless of levels of energy usage, except as provided in Section 2.10 or Section 6.1.

Section 2.3. [Intentionally Omitted].

Section 2.4. Contract Capacity Changes. (a) Except in the case of any non-recurring special occasion or short term accident involving the Premises (including operating errors or the breakdown of any equipment or mechanical, electrical or other system located therein), if, during any Contract Year, the Customer's Actual Capacity Requirement exceeds the Contract Capacity then in effect for the Services, then, unless the Supplier notifies the Customer that it is unable or unwilling to provide increased levels of Services to satisfy the Customer's Actual Capacity Requirement, the Contract Capacity shall be adjusted for the next twelve (12) months to an amount equal to Customer's Actual Capacity Requirement. At the expiration of such twelve (12) month period, Customer's Contract Capacity shall revert to the Contract Capacity in effect immediately prior to the application of this Section 2.4, subject to continuing adjustment as otherwise provided in this Article II. If the Supplier's records show that the Customer's Actual Capacity Requirement continues to exceed the Contract Capacity then in effect, the Supplier shall, at its option, adjust the

Customer's Contract Capacity under this Agreement to reflect the Customer's Actual Capacity Requirement.

(b) If, during any Contract Year, the Customer materially reduces its actual capacity requirement as a result of an investment in energy efficiency, such as additional insulation, the Supplier shall adjust the Contract Capacity. In such instances, the Customer shall provide to the Supplier a written request specifying the investment in energy efficiency, the resulting New Contract Capacity suggested, and an analysis of the amount of the reduction in Tons and/or Mlbs. per hour prepared by an Independent Engineer. Such analysis of the amount prepared by an Independent Engineer shall be at the Customer's cost. The determination of the amount of the reduction shall be at the reasonable discretion of the Supplier, and shall take into account the Customer's request, the analysis prepared by the Independent Engineer, and any metered data available before and after the improvement. The Supplier shall provide to the Customer a written response to the request, and such response shall not be unreasonably withheld or delayed. Such reduced Services shall be on the same terms and conditions as are set forth in this Agreement, and all references to Contract Capacity will mean the New Contract Capacity.

(c) In addition to the provisions set forth in subsection (b) of this Section 2.4, in the event the Customer determines that the Contract Capacity it has nominated for Services exceeds its needs (but subject to the requirement that Supplier be the sole and exclusive source of Customer's heating and cooling needs up to the Contract Capacity) the Customer shall have the right upon its written request to the Supplier to make an adjustment at any time during the Term of this Contract to reduce its Contract Capacity. In such event, the Customer and the Supplier agree to negotiate in good faith a reasonable reduction in the Customer's Contract Capacity that shall reflect the Customer's actual capacity requirements for the Services. Such reduced Services shall be on the same terms and conditions as are set forth in this Agreement, and all references to Contract Capacity will mean the New Contract Capacity.

Section 2.5. Invoices. The Supplier will provide an invoice to the Customer following the end of each calendar month ending after the Transition Date, listing and setting forth in reasonable detail the Pass-Through Charges and Credits and the Energy Charge for such month, the Contract Capacity Charge for the then current month (prorated in the case of partial months), and any Taxes and surcharges payable by Customer pursuant to Section 2.8 or Section 2.9.

Section 2.6. Payment. An invoice delivered under Section 2.5, and any other invoice delivered by the Supplier under this Agreement, will be due and payable upon delivery to the Customer and the Customer will pay the total amount of such invoice to the Supplier at the place of payment specified in such invoice within 30 days after the date of receipt. In addition to any actions which the Supplier may take during the continuance of any payment default by Customer, including the right to withhold Services until such default is cured to the satisfaction of the Supplier, the

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Customer will pay interest on the balance of each invoice which remains unpaid on the 30th day after receipt at the rate of 1.5% per month from the date of receipt until the date of payment.

Section 2.7. Adjustments to Charges. (a) Within thirty (30) days following the end of each Contract Year, the Supplier shall compute the actual Contract Capacity Charge, Pass-Through Charges and Credits and Energy Charge due from the Customer during such Contract Year and (i) if the actual payments made by the Customer during the Contract Year exceed the amounts that were due from such Customer, reduce the Customer's charges during the following Contract Year by an amount equal to the overpayment or, if the overpayment occurs in the last year Services are delivered to the Customer by the Supplier, make a cash refund to the Customer in an amount equal to the overpayment and (ii) if the actual payments made by the Customer during the Contract Year were less than the amounts that were due from such Customer, send an invoice to such Customer for such underpayments, such payments to be due within 30 days after the date of receipt of such invoice.

(b) Adjustments set forth in this Section 2.7 will be calculated by the Supplier after conducting an accurate accounting. The Energy Charge will be recomputed each month based on actual energy usage and then-applicable energy prices, and with respect to the Contract Capacity Charges and Pass-Through Charges and Credits will be effective on July 1 of each calendar year, and with respect to the Energy Charge will be effective on the first day of each calendar month.

Section 2.8. Taxes. The Customer will pay all Taxes, including without limitation any Taxes imposed upon the Customer that the Supplier is required to collect and a proportionate portion of Taxes related to the provision of Services generally.

Section 2.9. Change of Law. The Supplier will adjust the Contract Capacity Charge and Pass Through Charges and Credits to reflect any increases in the Supplier's labor, operating, maintenance, environmental or other costs of providing Services (including capital expenditures) which result from the adoption of, or any change in, any applicable laws or rules or regulations of any governmental authority after the date hereof, or from any change in the interpretation by any court, tribunal or regulatory authority of any applicable law or rule or regulation after such date. In determining the amount of any increase permitted under this Section 2.9, any capital expenditure made by Supplier to comply with any adoption of, or change in, applicable laws or regulations shall be amortized according to generally accepted accounting principles. All costs passed through to the Customer under this Section 2.9 shall be appropriately allocated based on the Customer's proportion of total System Customer Contract Capacities as of the date of the increase in costs.

Section 2.10. Cessation of Operations. In the event that Customer ceases operations at the Premises for any reason, including, without limitation, the destruction of or damage to all or any portion of the Premises due to fire or other casualty, the taking of all or any portion of the Premises by right of eminent domain or by purchase in lieu thereof, the decision by Customer, in Customer's sole discretion, to demolish all or any portion of the Premises or the decision by Customer, in

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Customer's sole discretion, to cease operations at the Premises for any other reason, Customer shall be liable for all charges incurred pursuant to this Agreement to the date of such cessation of operations, but Customer shall not be obligated for charges pursuant to this Agreement subsequent to such cessation of operations. In the event that operations at the Premises have ceased for a period of sixty (60) consecutive days, each party shall have the right to terminate this Agreement by written notice to the other. (Notwithstanding the provisions of the preceding sentence, if Customer notifies Supplier in writing within sixty (60) days following the cessation of operations at the Premises that Customer intends to demolish the existing improvements at the Premises and replace them with new improvements, neither party shall have the right to terminate this Agreement as a result of such cessation of operations and this Agreement shall apply to such new improvements provided that Customer recommences operations at the Premises within two (2) years of such cessation of operations. If operations at the Premises have not recommenced within such two (2) year time period, each party shall have the right to terminate this Agreement by written notice to the other.

Section 2.11. Price Protection. The parties acknowledge and agree that the Customer should be protected from unreasonable annual escalations of the charges set forth in Section 2.2 of this Agreement. The parties agree that the charges are calculated based upon the Supplier's cost of providing the Services. These Supplier costs are generally defined as (i) cost of servicing system revenue bonds issued to finance a fixed construction cost of the System as set forth in the Initial System Operating Agreement, (ii) fixed management fees payable by the Supplier to the System Operator under the System Operating Agreement, (iii) the cost of purchasing fuel, and (iv) the Supplier's Incremental Costs. Any increase in the Customer charges for any year during the term of this Agreement, including any optional or renewal term, shall be made in accordance with the Initial System Operating Agreement, any Replacement System Operating Agreement, and this Agreement. In an effort to avoid annual escalations of Customer charges in excess of those contemplated in the Initial System Operating Agreement, any Replacement System Operating Agreement, and this Agreement, the Supplier shall not amend the Initial System Operating Agreement or any Replacement System Operating Agreement except in accordance with Article IX of this Agreement, and the Supplier shall not be reimbursed for any costs (other than those described in clauses (i), (ii) and (iii) of this paragraph) in excess of the Supplier's Incremental Costs attributable to the operation of the System. In procuring any Replacement System Operating Agreement, the Supplier shall comply with all applicable competitive procurement laws, and such costs will be included in the Supplier's Incremental Costs.

Section 2.12. Non-Public Customer Price Projections. It is the intention of the Supplier to provide its Services to its non-Public Customers at a cost that is at least 11% lower than those Services could have been purchased from the Nashville Thermal Transfer Facility at the rates that were in force for 2002, escalated to 2004 at 3% per year, and by inflation thereafter. The Supplier expects to equal or better the targeted savings through fixed price guarantees and escalation capped at 3% per year in a contract proposed to be entered into with the Initial System Operator.

Section 2.13. System Performance Review. Supplier will have the Consulting Engineer and Project Consultant review the performance of the System annually, including compliance with the Initial System Operating Agreement, and prepare a report summarizing System operations. The Supplier will make copies of this report available to all Initial System Customers. Costs (including fees and expenses) of the Consulting Engineer and Project Consultant will be an Incremental Cost to administer the Initial System Operating Agreement that may be billed to System Customers pursuant to Section 2.2 and recovered by the Supplier.

ARTICLE III

METERING AND DISTRIBUTION

Section 3.1. Metering. (a) All metering equipment will be furnished, paid for, and maintained by the Supplier. The Supplier will test its metering equipment annually in accordance with the manufacturer's recommendations and, if requested by the Customer, will conduct such tests in the presence of a representative of the Customer. If requested by the Customer, the Supplier will conduct such test on additional occasions; provided, that unless such test indicates that the metering equipment provides results which are inaccurate by 3% or more in a manner which is adverse to the Customer, the Customer will pay all costs (including labor costs) and expenses incurred by the Supplier in conducting such additional testing, as such costs and expenses are reasonably determined by the Supplier. The Supplier will maintain an accurate log or record of all such tests.

(b) The parties will cooperate to make a determination of the effect of the defective equipment on prior metered data and make appropriate adjustments to the Customer's Energy Charge.

(c) If the Supplier's metering record is interrupted at any time for any reason, the measurement of the usage of Services to be billed for such period of interruption will be estimated by the Supplier based, at its option, upon (i) the Supplier's meter record immediately before and after the period of interruption, (ii) past Customer usage during a similar period and under similar conditions, (iii) comparable usage during the period of interruption by other buildings, if any, which are heated or cooled using steam or chilled water service provided by the Supplier, duly measured by functioning meters, or (iv) some reasonable combination of these methods, and the Customer will pay invoices during such period based on the estimated measurement. All billings based on estimated usage will indicate the method of estimation employed.

(d) The Customer will provide, without charge, adequate space and access on the Premises for the housing and maintenance of all metering and related equipment referred to in Annex D that the Supplier will provide to comply with its obligations hereunder.

Section 3.2. Distribution Piping. The Customer acknowledges that all distribution piping located after the Delivery Point and before the Return Point for the delivery of steam and/or chilled water to the Customer's heating and cooling system shall be owned and maintained by the Customer.

Section 3.3. Valve Operation. The service stop valves and meter stop valves and other equipment whose location is shown on Annex D will be operated only by authorized personnel of the Supplier, except that the Customer may close the service stop valves when necessary due to emergency circumstances which require immediate cessation of steam or chilled water supply, and

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the Customer will give the Supplier immediate notice of any such cessation. The Supplier will close the service stop valves to allow the Customer to repair or perform maintenance on the Customer's piping system upon reasonable advance request; provided, that in emergency circumstances if the Customer is unable to close the service stop valves, the Supplier will use all reasonable efforts to close such valves as soon as practicable.

ARTICLE IV

ACCESS

Section 4.1. Easements and Related Rights. Subject to State of Tennessee laws and regulations, the Customer hereby grants to the Supplier (including the System Operator as operator of the System on behalf of the Supplier) the right and easement to install, operate, maintain and repair equipment on the Premises together with an ingress and egress easement to and from the Premises at all times necessary for the Supplier to perform any one or more of the activities, rights and obligations contemplated by or in connection with this Agreement. Supplier agrees to use its best efforts to avoid any interruption of the Customer's business operations or those of its tenants or patrons at all times it is exercising its right of access, pursuant to this Section 4.1. All space, easements and rights-of-access will be in the location designated by the Supplier and approved by the Customer, such approval shall not be unreasonably withheld, delayed or conditioned. Supplier's obligations under this Agreement are conditioned upon the grant, and undisturbed enjoyment of, the rights granted under this Section 4.1.

ARTICLE V

ADDITIONAL AGREEMENTS

Section 5.1. Public Customers. If this Agreement is between the Supplier and a Public Customer, then the provisions contained in Annex C apply. To the extent the provisions of Annex C are inconsistent with any other provision of this Agreement, the provisions of Annex C shall apply.

Section 5.2. Resale and Redistribution. Services supplied by the Supplier hereunder may be redistributed by the Customer and resold by the Customer at cost only to its tenants for heating and/or cooling spaces within the property line for the Premises; provided, that such redistribution and resale does not subject the Supplier to any governmental rules, regulations, Taxes or laws to which it was not theretofore subject. Regardless of such redistribution and resale, the Customer will be liable to the Supplier for all costs and charges payable hereunder. The Customer will be responsible for any Taxes or other governmental charges arising from or in connection with any such resale.

Section 5.3. Sales of Excess Capacity. The Supplier reserves the right to market excess System capacity to new or existing customers upon such terms and conditions as it determines in its sole discretion, and shall be entitled to all revenues from such sales of energy or capacity. The Supplier shall use reasonable efforts to market and sell excess System capacity to new or existing customers.

Section 5.4. Customer Reporting. The Customer will give immediate notice to the Supplier of any leaks of steam or chilled water from any of the pipes located on the Premises.

Section 5.5. Thermal Efficiency. The Customer acknowledges that the efficiency of the Customer's Premises in extracting energy from chilled water (i.e., increasing the temperature difference of the chilled water between the Delivery Point and the Return Point) is directly relevant to total energy usage of the System. If after the third anniversary of the Transition Date, the Customer is not maintaining its Delta T, then the Customer shall pay a Thermal Inefficiency Fuel Surcharge. The Thermal Inefficiency Fuel Surcharge will be charged to the Customer for each month for which chilled water is delivered to the Customer that the temperature difference, in °F, between the monthly average chilled water temperature at the Return Point and 42°F is less than Delta T. The Thermal Inefficiency Fuel Surcharge shall be calculated as follows:

$$\text{TIFS} = \frac{[\text{Delta T} - (\text{CRT}_m - 42^\circ\text{F})] \times \text{CWCCC}_m}{100^\circ\text{F}}$$

Where: TIFS = The Thermal Inefficiency Fuel Surcharge
 CRT_m = The monthly average temperature of chilled

$CWCCC_m$ = water measured at the Return Point (°F)
The Chilled Water Contract Capacity Charge
for that month

If a project is undertaken for improving the Customer's Delta T pursuant to the provisions of Section 5.6, then upon the project's completion the Customer and Supplier shall reasonably agree on a New Customer Return Temperature and thereby a New Delta T, and the New Delta T shall become Delta T.

Section 5.6. Financial Assistance for Thermal Inefficiency Remediation. The Supplier shall establish a fund in the initial amount of \$500,000 to provide assistance in financing the costs of bringing customer systems into compliance with Section 2.1(e). In addition, the Supplier shall make available in each year an amount equal to 25% of New Customer Surplus Revenues for the same purpose. Such funds will be made available to Initial System Customers, upon application therefor, to pay for, or to reimburse Initial System Customers for, substantiated costs of complying with Section 2.1(e). Funds will be made available to Initial System Customers based upon priorities and procedures to be established by the Supplier from time to time.

ARTICLE VI

SERVICE INTERRUPTIONS

Section 6.1. Performance Generally. The Supplier will use all reasonable efforts to make Services available to the Customer regularly and without interruption up to the Contract Capacity, but the Supplier does not guarantee a constant supply of such steam or chilled water service hereunder. In the event that Supplier fails to provide Service, or any substitute service reasonably acceptable to the Customer, for a period exceeding three consecutive calendar days due solely to Supplier's willful misconduct or negligence, (i) the Supplier will be liable to the Customer for any direct costs of the Customer reasonably incurred by the Customer as a direct result of such failure by Supplier and (ii) the Supplier will give the Customer a credit against the Contract Capacity Charge for steam or chilled water, as the case may be, for the Pro Rata Portion of the Contract Capacity Charge during such month allocable to the period of such failure. NOTWITHSTANDING ANY PROVISION OF THIS AGREEMENT, SERVICE INTERRUPTIONS UNDER THIS AGREEMENT WILL NOT IN THEMSELVES CONSTITUTE A DEFAULT BY SUPPLIER UNDER SECTION 7.1 IF THE SUPPLIER COMMENCES WITHIN THE APPLICABLE CURE PERIOD TO USE DUE DILIGENCE AND REASONABLE EFFORTS TO CURE SUCH SERVICE INTERRUPTIONS AND IF SUCH SERVICE INTERRUPTION IS NOT CURABLE WITHIN 30 DAYS, CONTINUES USING SUCH DUE DILIGENCE AND REASONABLE EFFORTS, AND, EXCEPT AS SPECIFICALLY PROVIDED IN THIS SECTION 6.1, THE SUPPLIER WILL NOT BE LIABLE TO THE CUSTOMER OR ANY OTHER PERSON UNDER ANY CIRCUMSTANCES FOR ANY SERVICE INTERRUPTIONS UNDER THIS AGREEMENT. In no event shall the Supplier have any liability under this Section 6.1 for special, exemplary or consequential damages, including without limitation, loss of profit or revenue or interference with operations, or have any liability under this Section 6.1 to any Person other than the Customer. Any liability of Supplier under this Section 6.1 shall be reduced by the amount of any insurance recovery of the Customer. The remedy provided under this Section 6.1 shall constitute the sole and exclusive remedy of the Customer for Service Interruptions caused by the Supplier. Notwithstanding anything to the contrary, any provision or provisions of this Section will not apply to the extent they are (it is) finally determined by a court of competent jurisdiction, including appellate review if pursued, to violate the law or Constitution of the State of Tennessee.

Section 6.2. Other Interruptions. The Supplier will have the right at any time and from time to time to interrupt steam or chilled water service: (i) for a reasonable duration, upon providing such notice to the Customer as is reasonably practicable, for the purpose of performing maintenance, repairs, replacements, connections or changes (on or off the Premises) to the Energy Plant or its mains, pipes or other equipment or for the purpose of complying with any order or request of any governmental authority; provided, that the Supplier will exercise due diligence and will act with reasonable dispatch in restoring service and, to the extent practicable, will schedule such

interruptions during periods of low Service requirements, or (ii) for a duration determined by the Supplier in its sole discretion, without notice, if, in the Supplier's judgment, public safety standards or prudent operating procedures dictate such interruption, or if the Supplier has received a notice from any governmental authority requiring or mandating such interruption.

Section 6.3. Force Majeure. (a) Notwithstanding any other provision of this Agreement, if either party hereto is prevented from performing any of its obligations hereunder by reason of a Force Majeure Event, such party will notify the other party in writing as soon as practicable and thereafter will be excused from its obligations hereunder to the extent of such interference; provided, that no accrued payment obligation hereunder will be excused or delayed as the result of a Force Majeure Event, except to the extent such obligations are satisfied by insurance proceeds.

(b) The party whose performance hereunder is prevented as the result of a Force Majeure Event will use reasonable efforts to remedy its inability to perform; provided, however, nothing in this Section 6.3 (b) will be construed to require the settlement of any strike, walkout or other labor dispute on terms which, in the reasonable judgment of the affected party, are contrary to its interest. It is understood that the settlement of a strike, walkout or other labor dispute will be entirely within the discretion of the affected party.

(c) The Supplier will use reasonable efforts to maintain insurance for the Facility comparable to that generally obtained for similar facilities, either directly or through the System Operator, to the extent obtainable on commercially reasonable terms.

(d) To the extent proceeds of insurance are applied to pay costs of repairing or operating the System, the Supplier will not include such costs in the calculation charges to be paid by the Customer pursuant to Section 2.2.

ARTICLE VII

DEFAULT

Section 7.1. Defaults. In the event either party fails to perform any material obligation of such party under the terms of this Agreement (including but not limited to the obligation to use due diligence and reasonable efforts to cure any service interruptions), except as provided in Section 6.3, Force Majeure Event, such failure shall constitute a default under this Agreement. If any such default is not cured within 30 days following receipt of notice of such default the non-defaulting party shall have the right to terminate this Agreement; provided, that if the default is curable but is not curable within a 30 day period but the defaulting party commenced curing the default within said 30 day period and continues to be using due diligence and reasonable efforts to effect a cure of such default, the non-defaulting party may not terminate this Agreement as long as the defaulting party continues using such due diligence and reasonable efforts. In addition to said 30-day period, a defaulting party shall have, with respect to curable defaults only, that number of additional days which is equal in number to the number of days which the defaulting party is prevented from curing such default solely by reasons or causes beyond its reasonable control, provided the defaulting party has commenced curing such default with such 30-day period, is proceeding diligently and continuously, and is using all reasonable efforts to cure the default. If a party has the right to terminate this Agreement due to a default but does not exercise that right and that default is subsequently cured, the right to terminate for that default shall cease. During any period in which the Supplier is required to supply service under this Agreement but is in default of such obligation under this Section, and if the Customer has not exercised its right to terminate this Agreement under this Section, the Customer shall mitigate damages and may purchase services from an alternate source or use its own energy source for services, provided the Customer shall use reasonable efforts to minimize the cost of such alternate service.

ARTICLE VIII

TERM

Section 8.1. Term. This Agreement will be effective as of the date hereof, and will remain in effect for the Initial Term and each Renewal Term, if any.

Section 8.2. Renewal. Unless written notice that this Agreement will terminate on the last day of the Initial Term or the then current Renewal Term is provided by either party at least one year prior to the end of the Initial Term or the then current Renewal Term, this Agreement will continue for an additional Renewal Term.

Section 8.3. Optional Early Termination. At any time on or after the fifteenth anniversary of the Transition Date, upon 180 days' prior written notice, the Customer may terminate this Contract by paying to the Supplier an amount equal to (A) the product of (i) the Customer's Pro Rata Portion for steam service and (ii) the sum of (a) an amount sufficient to discharge that proportion of bonds allocable to the Base Steam Facilities Capital Cost plus (b) the remaining years in this Agreement from the date of termination times the then current year's Base Steam Facilities Operating Costs plus (B) the product of (i) the Customer's Pro Rata Portion for chilled water service and (ii) the sum of (a) an amount sufficient to discharge that proportion of bonds allocable to the Base Chilled Water Facilities Capital Cost plus (b) the remaining years in this Agreement from the date of termination times the then current year's Base Chilled Water Facilities Operating Cost. If the System's capacity is fully sold by the Supplier under long-term contracts through the end of the Initial Term (other than the capacity being terminated) and the Supplier subsequently enters into a contract for the sale of the capacity that became available as a result of the contract termination, the Supplier shall reimburse the Customer from proceeds of such energy sales for amounts paid by the Customer to the Supplier under this Section.

Section 8.4. Effect of Termination. Upon the expiration or earlier termination of this Agreement, the Customer and the Supplier will have no further obligations hereunder other than obligations accruing prior to the date of such termination, including, in the case of the Customer, amounts owing for Services delivered prior to such expiration or termination and, in the case of the Supplier, amounts owing under Section 8.3. This section shall not affect the Supplier's rights under applicable law for damages in the case of a termination after the Customer's default.

ARTICLE IX

AMENDMENTS TO INITIAL SYSTEM OPERATING AGREEMENT

Section 9.1. Limitation of Amendments. Metro shall not amend the Initial System Operating Agreement except as provided in accordance with and subject to the provisions of this Article IX.

Section 9.2. Amendments Without Customer Consent. Metro may, from time to time and at any time, enter into amendments to the Initial System Operating Agreement without the consent of the Customer, but with notice, as follows:

- (a) To cure any formal defect, omission or ambiguity in the Initial System Operating Agreement; or
- (b) To grant to or confer upon Metro any additional rights, remedies, powers, authority or security with respect to the Initial System Operator; or
- (c) To implement the performance of any right or obligation already existing under the terms of the Initial System Operating Agreement; or
- (d) To make any other change which, in the opinion of an Independent Engineer, will not be expected to result in an increase in the charges that will be payable by the Customer under this Agreement; or
- (e) To make any change necessary to preserve or maintain the tax-exempt status of the revenue bonds issued by Metro to finance the cost of the System.

Section 9.3. Amendments With Customer Consent. Metro may, from time to time and at any time, enter into amendments to the Initial System Operating Agreement that Metro is not otherwise permitted to enter into under Section 9.2, but only if all of the following conditions are met:

- (a) Metro delivers notice to all Initial System Customers of the proposed amendment in reasonable detail;
- (b) Metro establishes in the notice a date (the "Record Date"), which shall not be less than ten (10) business days following the date of delivery of the notice, by which Initial System Customers must either approve or reject the proposed amendment;
- (c) Metro establishes that either (i) Metro, the State and a majority of the remaining Initial System Customers have consented in writing to the proposed amendment or

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(ii) neither Metro, the State nor a majority of the remaining Initial System Customers have delivered to Metro written notice of rejection of the proposed amendment by 3:00 p.m. Nashville time on the Record Date.

If all of the conditions set forth in clauses (a), (b) and (c) have been met by 3:00 p.m. Nashville time on the Record Date, Metro shall be permitted at any time within the six-month period immediately thereafter to enter into the proposed amendment.

ARTICLE X

INFORMAL NONBINDING DISPUTE RESOLUTION

Section 10.1. Dispute Notice. Notice of a valid dispute, whether billing or contractual in nature, must specifically document in writing a detailed description of the underlying dispute and, if monetary damages are expected to be claimed, a reasonable estimate of the amount of such damages and the basis therefor (the "Dispute Notice").

Section 10.2. Billing Disputes.

(a) The Customer must submit reasonable and valid billing disputes to the Supplier within sixty (60) days from the due date. The Parties will use best faith efforts to resolve all billing disputes within ninety (90) days from the receipt of the Dispute Notice.

(b) The parties agree that all bills, including bills disputed in whole or in part, are to be paid when due, that interest will be due on all overdue amounts as set forth in Section 2.6 of this Agreement, and that no other late payment fee or charge applies to overdue amounts. The parties further agree that if any billing dispute is resolved in favor of the Customer the Customer will receive, by crediting or otherwise, reimbursement of the amount overpaid by the Customer together with interest on the amount overpaid from the date of such payment to the date of reimbursement to the Customer, at the interest rate of 1.5% per month.

Section 10.3. All Other Disputes.

(a) The Parties desire to resolve disputes arising out of this Agreement without litigation. Accordingly, except for actions seeking a temporary restraining order, an injunction, or a suit to compel compliance with the dispute resolution process, the parties agree to use the following dispute resolution procedure with respect to any controversy or claim arising out of or relating to this Agreement or its breach.

(b) Each Party agrees to promptly notify the other party in writing of a dispute and may in the dispute notice invoke the informal dispute resolution process. The Parties will use best faith efforts to resolve the dispute within thirty (30) days after the date of the Dispute Notice.

Section 10.4. Informal Dispute Resolution Process. In the case of any dispute and upon receipt of the Dispute Notice each party will appoint a duly authorized representative to meet and negotiate in good faith to resolve any dispute arising under this Agreement. The location, form, frequency, duration, and conclusion of these discussions will be left to the discretion of the representatives. Upon request of either representative, mediation will be utilized to assist in the negotiations. If mediation is requested, a third-party mediator mutually agreeable to the parties shall

be selected. Discussions and the correspondence among the representatives for purposes of settlement are exempt from discovery and production and will not be admissible in any lawsuit without the consent of both parties. Documents identified in or provided with such communications, which are not prepared for purposes of the negotiations, are not so exempted and, if otherwise admissible, may be admitted into evidence in any subsequent legal proceeding. Mediation shall be non-binding, however, neither party shall initiate a formal legal proceeding earlier than forty-five (45) days after the date of the Dispute Notice, provided the party invoking the informal dispute resolution process has exercised good faith in its negotiations to resolve the dispute.

Section 10.5. System Operator Participation in Dispute Resolution Process. The Customer and the Supplier acknowledge and agree that it is in their mutual interests to include the System Operator in any dispute resolution process and therefore agree that the System Operator shall be entitled to participate in the process set forth in this Article X on the same basis as the Customer and the Supplier. To the extent that a dispute involves the System Operator, the System Operator will have the same rights as the Supplier under this Article X. The Customer and the Supplier agree to send a copy of all notices delivered under this Article X to the System Operator simultaneously with sending the notice to the other party.

ARTICLE XI

GENERAL PROVISIONS

Section 11.1. Notices. All notices or other communications required or permitted hereunder will be in writing and will be deemed given or delivered (i) the day delivered when delivered personally, (ii) 3 days after mailing when sent by registered or certified mail or by private courier and (iii) 1 day after sending when sent by courier via commercial overnight delivery service, addressed as follows:

If to the Supplier, to:

The Metropolitan Government of Nashville and Davidson County
Department of Finance and General Services
106 Metropolitan Courthouse
Nashville, Tennessee 37201
Attn: Director of Finance

With a copy to:

Director of Law
204 Metropolitan Courthouse
Nashville, TN 37201

If to the Customer, to:

Keene Bartley, Attorney
Schulman, LeRoy and Bennett
501 Union Street, Suite 701
Nashville, TN 37219

or to such other address as such party may indicate by a notice delivered to the other party hereto.

A copy of all notices shall be sent simultaneously to the System Operator at:

Constellation Energy Source, Inc.
7133 Rutherford Road
Suite 1401
Baltimore, MD 21244
Attn: President

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Section 11.2. Successors and Assigns. (a) The Customer may transfer its rights and obligations hereunder to any Person who succeeds to the interests of the Customer in all or a portion of the Premises upon receipt of written consent from the Supplier, which consent shall not be unreasonably withheld. The Supplier may transfer its rights and obligations hereunder to any governmental entity or agency or instrumentality thereof with legal power to perform the Supplier's obligations without the consent of the Customer. Either party may mortgage, pledge, or otherwise encumber its rights under this Agreement or its assets located on the Premises to secure any obligations of such party, and in connection therewith, upon the request of the other party hereto from time to time, the Supplier or the Customer, as the case may be, will provide one or more estoppel certificates in form and substance satisfactory to the requesting party.

(b) This Agreement will be binding upon and inure to the benefit of the parties hereto and their successors and permitted assigns. Nothing in this Agreement, expressed or implied, is intended or will be construed to confer upon any Person (other than the parties and successors and assigns permitted by this Section 11.2) any right, remedy or claim under or by reason of this Agreement.

Section 11.3. Entire Agreement; Amendments. This Agreement and the Schedules and Annexes referred to herein and the documents delivered pursuant hereto contain the entire understanding of the parties hereto with regard to the subject matter contained herein or therein, and supersede all prior agreements or understandings between or among any of the parties hereto. This Agreement will not be amended, modified or supplemented except by a written instrument signed by an authorized representative of each of the parties hereto.

Section 11.4. Interpretation. Article titles and headings to sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

Section 11.5. Waivers. Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the party or parties entitled to the benefit thereof. Any such waiver will be validly and sufficiently authorized for the purposes of this Agreement if, as to any party, it is authorized in writing by an authorized representative of such party. The failure of any party hereto to enforce at any time any provision of this Agreement will not be construed to be a waiver of such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement will be held to constitute a waiver of any other or subsequent breach.

Section 11.6. Expenses. Each party hereto will pay all costs and expenses incident to its negotiation and preparation of this Agreement and, except as set forth herein, to its performance and compliance with all agreements and conditions contained herein on its part to be performed or complied with, including the fees, expenses and disbursements of its counsel and accountants.

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Section 11.7. Partial Invalidity. Wherever possible, each provision hereof will be interpreted in such manner as to be effective and valid under applicable law, but in case any one or more of the provisions contained herein will, for any reason, be held to be invalid, illegal or unenforceable in any respect, such provision will be ineffective to the extent, but only to the extent, of such invalidity, illegality or unenforceability without invalidating the remainder of such invalid, illegal or unenforceable provision or provisions or any other provisions hereof, unless such a construction would be unreasonable.

Section 11.8. Supplier Liability Limitation. The liability of Supplier under this Agreement shall be limited to the assets of the System and revenues therefrom and no recourse shall be had to the general funds and assets of the Metropolitan Government of Nashville and Davidson County. Notwithstanding anything to the contrary, any provision or provisions of this Section will not apply to the extent they are (it is) finally determined by a court of competent jurisdiction, including appellate review if pursued, to violate the law or Constitution of the State of Tennessee.

Section 11.9. Customer Liability Limitation. No general partner of the Customer shall be personally liable for the obligations of the Customer under this Agreement.

Section 11.10. Execution in Counterparts. This Agreement may be executed in one or more counterparts, each of which will be considered an original instrument, but all of which will be considered one and the same agreement, and will become binding when one or more counterparts have been signed by each of the parties hereto and delivered to the Supplier and the Customer.

Section 11.11. Governing Law. The laws of the State of Tennessee govern this Agreement, and any action arising from or relating thereto shall be brought only in the Circuit or Chancery Courts for Davidson County, Tennessee or the Tennessee Claims Commission, as appropriate.

Section 11.12. Metro Obligations as Customer. Supplier agrees that the Metropolitan Government of Nashville and Davidson County is an Initial Customer and will be subject to the same terms and conditions as those of Public Customers in this Agreement.

Section 11.13. Prior Agreements. Upon the Transition Date, the prior agreement between the Customer and the Supplier for Services, more specifically described in Annex F, shall terminate and neither party shall have any obligation thereunder after the Transition Date other than satisfaction of liabilities accruing thereunder prior to the Transition Date.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first written above.

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY,
acting solely as Supplier under this Agreement:

Michael D. Bradley
Director of General Services

RECOMMENDED:

Department of Finance
David P. Murray
Department: Director of Finance

APPROVED AS TO AVAILABILITY OF
FUNDS:

David P. Murray
Director of Finance

APPROVED AS TO INSURANCE:

Joe Chnard
Director of Insurance

APPROVED AS TO REAL PROPERTY

Ken Maynard
Director of Public Property

APPROVED AS TO FORM AND LEGALITY:

Ann Y. Liu
Metropolitan Attorney

FILED IN THE OFFICE OF THE
METROPOLITAN CLERK:

Marilyn B. Swing
Date: *6/10/02*

Stephen B. Funn *6/14/02*
Purchasing Agent

CUSTOMER

501 Union Owners Association

By: *Keene W. Bailey*

Title: *President*

Sworn to and subscribed to before me, a
Notary Public, this *23rd*
day of *May*, 2002, by
Keene W. Bailey, the
President of

Customer and duly authorized to execute this
instrument on Customer's behalf.

Anne D. Smith
Notary Public

My Commission Expires *7-24-04*

ANNEX A

Definitions

The following terms shall have the meanings specified or referred to herein:

"Actual Capacity Requirement" means the average of two maximum metered demands each measured over a 30-minute period for the Services provided during a Contract Year.

"All In True Interest Cost" means the yield which, when used in the computation of the present value of all payments of principal and interest on the bonds, produces an amount equal to the par amount of the bonds less the underwriter's discount and the costs of issuance, including insurance, as calculated using the Public Financial Management, Inc. financial model reviewed by the State.

"Base Chilled Water Facilities Capital Cost" means 85% of the Chilled Water Facilities Capital Cost.

"Base Chilled Water Facilities Operating Costs" means 85% of the Chilled Water Facilities Operating Costs.

"Base Steam Facilities Capital Cost" means 85% of the Steam Facilities Capital Cost.

"Base Steam Facilities Operating Costs" means 85% of the Steam Facilities Operating Costs.

"Chilled Water Facilities Capital Cost" means that portion of the total capital costs of the facilities (or debt service on debt issued to finance such costs or similar amortization thereof), including costs of funding reasonable reserves, reasonably allocable to the production, metering, and distribution of chilled water. Chilled Water Facilities Capital Cost shall not include Excluded Costs or capital costs of improving that portion of the Distribution System currently owned by the State to the condition of the balance of the Distribution System as of the date of this Agreement.

"Chilled Water Facilities Fixed Operating Costs" means that portion of the Fixed Operating Costs assignable to operating and maintaining the chilled water portion of the System.

"Consulting Engineer" means the consultants and/or engineers or firms of consultants or engineers that the Supplier retains and designates as Consulting Engineer in this Agreement and the System Operating Agreement.

"Contract Capacity" means with respect to steam service the Contract Capacity set forth in Annex B for steam service, and with respect to chilled water service the Contract Capacity set forth

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in Annex B for chilled water service, which, after the Transition Date, the Supplier is obligated by this Agreement to make available to the Customer pursuant to the terms of this Agreement; provided, that in the event the Customer's Actual Capacity Requirement exceeds the Contract Capacity, the Supplier may, but shall not be obligated to, increase the Contract Capacity for all subsequent periods to equal the Contract Capacity (prior to such adjustment) plus the additional capacity required.

"Contract Capacity Charge" means the charges payable by the Customer pursuant to Section 2.2(a) for the steam and/or chilled water capacity required by the Customer pursuant to this Agreement. The Contract Capacity Charge includes, but is not limited to, the capital and interest costs associated with the investment required to serve the Customer.

"Contract Year" means the period of time from July 1 through June 30 of the following year during the Initial Term or any Renewal Term.

"Contract Year Customer Invoice (CYCI)" means for any Contract year the total paid to the Supplier by the Customer under this Agreement for its Services during the Contract Year. The Contract Year Customer Invoice shall include all Contract Capacity and Energy Charges due and payable by the Customer pursuant to Section 2.2. All other charges due under Article II for the Contract Year shall be excluded from the CYCI.

"Customer" means the Person identified as the "Customer" in the first paragraph of this Agreement, and the permitted successors and assigns of such Person.

"Customer Energy Cost (CEC)" means the total cost that the Customer would have paid for its steam/chilled water during a Contract Year if it paid for those services using the Nashville Thermal Transfer Corporation's 2002 rates escalated to 2004 as they are listed in Annex I and applied pursuant to Section 2.12.

"Customer Return Temperature" means the temperature of chilled water at the Return Point that is listed in Annex B.

"Delivery Point" means the connection(s) where the Supplier delivers Service to the Customer, as indicated on Annex D.

"Delta T" means the temperature difference, in °F, between the Customer Return Temperature and 42°F as of the date of this Agreement.

"Dispute Notice" means a written notice specifying a billing or other dispute along with the supporting arguments involved, as referred to in Section 10.1.

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"Distribution System" means the steam delivery, condensate return and chilled water delivery and return pipes, together with all related equipment, valves and fixtures, used by the Supplier for the delivery of Services to System Customers.

"Energy Charge" means the charges payable by the Customer pursuant to Section 2.2 (c) for energy used by the Supplier in producing steam and/or chilled water for its customers, including without limitation, commodity charges for natural gas, electricity, oil, coal, biomass or alternate forms of fuel, distribution and transmission charges, applicable federal, state and local Taxes and all ancillary charges related to the purchase and delivery of the foregoing.

"Energy Plant" means Supplier's district energy production facility located in downtown Nashville, together with other equipment installed therein by the Supplier for use in providing Services to the Customer in accordance with the terms and conditions of this Agreement.

"Excluded Costs" means (i) with respect to Chilled Water Facilities Capital Costs and Steam Facilities Capital Costs, costs paid or incurred by the Supplier for legal, financial management and technical consultants of performing economic, engineering and feasibility studies of the System, procuring contracts or performing other tasks relating to the restructuring of the System in each case prior to the date of execution of the Initial System Operating Agreement, and (ii) with respect to Fixed Operating Costs or Variable Operating Costs, paid or payable to a System Operator, either as part of a fixed fee or an incentive program, of costs of marketing excess System capacity. Excluded Costs does not include costs relating to financing the System, such as bond issuance costs.

"Financing Documents" means the resolutions, indentures of trust, security documents and similar documents now or hereafter entered into by Supplier with respect to the financing or refinancing of all or any portion of the System.

"Fixed Operating Costs" means those costs of operating and maintaining the System that are fixed monthly or annual amounts (some of which may be subject to escalation), and may include, but is not necessarily limited to, (i) monthly or annual operating fee payable to an operator of the System, (ii) monthly or annual allowance for repairs or replacements, and (iii) monthly or annual allowance for Supplier's Incremental Costs. Fixed Operating Costs shall not include Excluded Costs.

"Force Majeure Event" means acts of God, war, civil commotion, embargoes, strikes, epidemics, fires, cyclones, hurricanes, droughts or floods, or labor, production or transportation difficulties, breakdown of, or accident or repairs to, machinery, equipment or lines of pipe, or shortage of materials, power, fuel, equipment, transportation or labor, or inability to obtain same without litigation or the payment of penalties, premiums or unusual prices, or any governmental law, regulation, order, request, instruction or injunction, or failure to provide or cancellation of rights-of-way, permits, licenses or other authorization, whether valid or invalid, or any other cause, whether or not similar to the foregoing, beyond the reasonable control of a party hereto, or its agents or

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contractors, and includes "Uncontrollable Circumstances" as defined in the System Operating Agreement.

"Incremental Costs" means the actual, reasonable and necessary costs incurred by Metro above and beyond what would have been incurred if the System did not exist, including the services of the Consulting Engineer and Project Consultants. Incremental Costs shall not include debt service on bonds issued by the Metropolitan Government of Nashville and Davidson County to finance costs of the existing waste disposal and energy generating facilities operated by Nashville Thermal Transfer Corporation.

"Independent Engineer" means for matters pertaining to the System, a nationally recognized expert or firm of experts in the area of energy generation and district heating and cooling systems; providing that such individual or firm is not a current employee of or consultant to the Supplier, and for matters pertaining to a Premises, a nationally recognized expert or firm of experts in the area of building heating and cooling; providing that such individual or firm is not a current employee of or consultant to the Customer.

"Initial System Customer" means any (i) customer of Nashville Thermal Transfer Corporation as of July 1, 2001 that has (ii) signed this agreement by June 14, 2002.

"Initial System Operating Agreement" means the agreements between the Supplier and the Initial System Operator, pursuant to which System operations and maintenance, fuel and energy acquisition, and marketing and sales activities are performed.

"Initial System Operator" means that entity selected by the Supplier to enter into the Initial System Operating Agreement following solicitation of proposals, and that enters into the Initial System Operating Agreement.

"Initial Term" means the period of time beginning on the Transition Date and ending on the thirtieth (30th) anniversary of the Transition Date.

"Metro" means the Metropolitan Government of Nashville and Davidson County.

"Mlbs" means thousand pounds of steam.

"New Contract Capacity" means the increased Contract Capacity that results from an expansion of the Premises pursuant to Section 2.1 (d), or the decreased Contract Capacity that results from an energy efficiency improvement of the Premises pursuant to Section 2.4 (b), or the decreased Contract Capacity that results from a reduction Contract Capacity pursuant to Section 2.4 (c).

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"New Customer Return Temperature" means the chilled water temperature agreed upon by the Customer and Supplier at the Return Point after a project has been undertaken to improve Delta T pursuant to the provisions of Section 5.6.

"New Customer Surplus Revenues" means those net revenues, including as a cost any sales commissions paid to secure those revenues received by the Supplier from customers of the System other than Initial System Customers in excess of the amount required to bring the Additional Available System Capacity Charge (as defined in Part B of Annex C) of the Metropolitan Government of Nashville and Davidson County, in its capacity as a customer of the System, to zero.

"New Delta T" means the temperature difference, in F, between the New Customer Return Temperature and 42°F.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or governmental authority or regulatory body.

"Premises" means the building located at the address and on the parcel of land legally described on the attached Annex D. For Agreements with Public Customers, "Premises" means the buildings located at the various addresses on the various parcels of land legally described on the attached Annex D.

"Project Consultant" means the professional or firm of professionals that the Supplier retains and designates to perform project analysis, management and DES business consulting services.

"Pro Rata Portion" means, (i) with respect to Contract Capacity for steam service, the percentage that the Contract Capacity of the Customer for steam service bears to the total Contract Capacities of all Initial System Customers (including Metro in its capacity as customer) for steam service and (ii) with respect to Contract Capacity for chilled water service, the percentage that the Contract Capacity of the Customer for chilled water service bears to the total Contract Capacities of all Initial System Customers (including Metro in its capacity as customer) for chilled water service.

The Customer's Pro Rata Portion shall be determined as of the date of the initial sale of bonds to finance the System, and (i) shall be increased proportionately if the Customer's Contract Capacity is increased pursuant to Section 2.4, (ii) shall be decreased proportionately if the Customer's Contract Capacity is decreased pursuant to Section 2.4.

In no event shall an increase or decrease in the Contract Capacity of any other System Customer be permitted to change the Pro Rata Portion of the Customer.

"Psig" means pounds per square inch gauge pressure.

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"Public Customer" means the State of Tennessee or the Metropolitan Government of Nashville and Davidson County, acting solely as customers for the services provided from the Supplier under their respective Initial System Customer Agreements.

"Record Date" means a date established by Metro not less than 10 days after notice is delivered to the Initial System Customers of a proposed amendment to the Initial System Operating Agreement.

"Renewal Term" means, in the event no party has given the notice described in Section 8.2 with respect to the Initial Term or any Renewal Term, the period beginning on the day after the last day of such Initial Term or Renewal Term and ending on the fifth (5th) anniversary of such last day of such Initial Period or Renewal Period.

"Replacement System Operating Agreement" means any agreement between the Supplier and a Replacement System Operator for System operating services replacing the Initial System Operating Agreement or any Replacement System Operating Agreement.

"Replacement System Operator" means any operator procured by the Supplier to replace the Initial System Operator or any Replacement System Operator.

"Return Point" means the connection(s) where the Customer returns steam condensate and chilled water to the Supplier as indicated on Annex D.

"Service Interruption" means a complete or partial loss of Service to the Customer's Premises.

"Services" means the steam and/or chilled water set forth in Annex B supplied by the Supplier to heat and/or cool the Customer's Premises.

"Service Standards" means the chilled water service and steam service specifications set forth in Annex E.

"State" means the State of Tennessee.

"Steam Facilities Capital Cost" means that portion of the total capital costs of the facilities (or debt service on debt issued to finance such costs or similar amortization thereof), including costs of funding reasonable reserves, reasonably allocable to the production, metering, and distribution of steam. Steam Facilities Capital Cost shall not include Excluded Costs or capital costs of improving that portion of the Distribution System currently owned by the State to the condition of the balance of the Distribution System as of the date of this Agreement.

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"Steam Facilities Fixed Operating Costs" means that portion of the Fixed Operating Costs assignable to operating and maintaining the steam portion of the System.

"Supplier" means the Metropolitan Government of Nashville and Davidson County acting solely as the provider of services under this Agreement and not in its general governmental capacity.

"System" means the Energy Plant and the Distribution System, including any improvements, replacements, modifications, additions, expansions, substitutions or relocations thereof. The term System shall not include any expansion of the Distribution System or addition of new generating facilities to serve such expansion.

"System Customer" means any Person that has entered into a Steam and/or Chilled Water Service Agreement with Supplier or any successor in interest to Supplier to the System, in form and substance substantially the same as this Agreement. Differing usage levels, Term of agreement, delivery point, or similar user specific provision shall not be considered a material difference under the preceding sentence.

"System Operating Agreement" means the Initial System Operating Agreement and any Replacement System Operating Agreement.

"System Operator" means the Initial System Operator and any Replacement System Operator.

"Tax" means any present or future Tax (including all sales and use Taxes), levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) that is imposed by any federal, state or local Taxing authority on steam or chilled water service provided by Supplier or any aspect of such service, or on any payments made by Customer, under this Agreement, including property Taxes related to Supplier's steam and chilled water facilities but excluding Supplier's income Tax.

"Term" means Initial Term and any Renewal Terms.

"Thermal Inefficiency Fuel Surcharge" means the charge so designated in Section 2.2 (d) and calculated in accordance with Section 5.5.

"Ton" means refrigeration capacity equivalent to the cooling capacity of one ton of ice melting in a period of twenty-four hours (at a rate of 12,000 BTU per hour).

"Ton-Hour" means cooling service equivalent to 12,000 BTUs of cooling, measured as a function of the gallons of chilled water which pass through the Premises and the temperature difference of the chilled water at the Delivery Point and the Return Point, and calculated on the basis of the aggregate BTU gain occurring.

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“Transition Date” means that date on which the Energy Plant, to be constructed by or on behalf of Supplier to replace the existing waste-to-energy facility currently being operated by Nashville Thermal Transfer Corporation to supply energy for the System, is connected to and commences supplying energy to the System in replacement of the Nashville Thermal Transfer Corporation’s current energy generation facility.

ANNEX BServices Provided per this Agreement

If the Contract Capacity is listed as zero, these services are not supplied to the Customer and are not Services within the meaning of this Agreement.

Service Provided	Steam	Chilled Water
Contract Capacity	2,500 lbs. per hour	175 Tons

Customer Chilled Water Return Temperature = 54.0°F.

Customer's Allocation of EDS Maintenance Costs = \$2,100.00

ANNEX C

Provisions that Apply to Public Customers

A. Provisions Applicable to the State

1. Modifications to Pricing Applicable to the State.

The computations of Contract Capacity Charge and Pass Through Charges and Credits in Section 2.2(a) and (b) shall not apply to the State. Instead, the following shall apply:

The Capital Charge will be \$1,668,001 per year

(\$1,368,001 base charge plus \$300,000 allocable to State distribution system upgrades)

The Capital Charge will not be subject to escalation. The Capital Charge assumes an All In True Interest Cost of 5.0% on a financing amortized over 30 years. If the actual All In True Interest Cost on the bonds (including costs of bond insurance, if any) issued by the Supplier to finance the System improvements is greater than or less than 5.0%, the Capital Charge will be adjusted to reflect the different cost of capital. A sample calculation of the adjustment is set forth in Annex H.

There will be a Fixed Operating Charge of \$975,615 per year

The Fixed Operating Charge will be applicable in the Contract Year ending June 30, 2004, and will be subject to escalation in succeeding Contract Years based on the Consumers Price Index - South: Size Class B/C (provided that escalation will not exceed 3.0% in any one year, as long as the Supplier has the same cap on its escalation in the System Operating Agreement, and will not be less than zero in any one year).

The Capital Charge of \$1,368,001 per year (excluding the \$300,000 allocable for the

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State distribution system upgrade) and the Fixed Operating Charge of \$975,615 per year are based on a total chilled water demand of 7,344 Tons and a steam demand of 99,883 lbs per hour, representing the aggregate demand for the fourteen buildings currently served by the System.

Pass Through Costs

The State will pay as a Pass Through Cost its Pro Rata Share of all-risk and business interruption insurance. The State will pay as Pass Through Costs water and sewer costs, chemicals used for water treatment and fuel and electricity (taking into account any energy efficiency bonuses payable by the Supplier to a System Operator and any damage payments for fuel inefficiency paid by a System Operator to the Supplier) based on the State's actual usage. The State will not pay for the following: engineering costs included as a pass through cost in the Initial System Operating Agreement, costs of repairs to the energy distribution system and the Supplier's Incremental Costs.

The foregoing costs shall be all inclusive and shall be subject to adjustment only to the extent required pursuant to (i) Section 2.9 of this Agreement, (ii) Force Majeure (but expressly excluding therefrom any repairs to the energy distribution system attributable to normal breakage and wear and tear), and (iii) damages payable under Section 5.5. The current estimate (in 2001 dollars) of the State's share of water and sewer, insurance and chemicals costs constituting Pass Through Costs are as follows:

<u>Item</u>	<u>Total Estimated Cost</u>	<u>Estimated State's Share</u>
Water and Sewer	\$250,000	\$85,000
Insurance	\$37,500	\$12,750
Chemicals	\$225,000	\$76,500

The Capital Charge and the Fixed Operating Charge for any year shall be payable in 12 equal monthly installments.

The State shall have no responsibility for maintenance, repair or capital costs associated with the distribution system. All pass through costs associated with the operations, maintenance and/or capital improvements of the steam and chilled water distribution system shall be the responsibility of the Supplier.

2. Successors and Assigns. The provisions of Section 11.2 (a) apply, except that the State shall not transfer its rights and obligations hereunder to any Person.

3. State Audit Rights. The State shall specifically have the right to audit the books and records of the Supplier and the Initial System Operator, or any subsequent system operators, as they relate to any charge the State pays under this Agreement. The Supplier agrees to insert the State's right to audit in any contract(s) or subcontract(s) entered into for the purpose of providing energy to the State. The Supplier will permit the State to conduct such annual audit on Supplier's behalf, provided that the (a) State notifies Supplier of exercise of the right within thirty days following the end of the applicable Contract Year, (b) State agrees to perform such audit in accordance with the Initial System Operating Agreement, (c) State agrees to consult with Supplier during the course of such audit, (d) State agrees to supply a complete copy of the audit to all Initial System Customers and (e) State agrees to bear the costs of the audit. If the State declines to perform the annual audit, the Supplier may have a nationally recognized accounting firm perform the audit, and if it does so, the costs (including fees and expenses) of the audit will be an Incremental Cost to administer the Initial System Operating Agreement that may be billed to Initial System Customers pursuant to Section 2.2 and recovered by the Supplier.

4. State Reductions in Contract Capacity. The Capital Charge and Fixed Operating Charge and the Pass Through Cost for insurance ("Fixed Charges") set forth under the heading "Modifications to Pricing Applicable to the State" are applicable to the Fixed Charges for steam units and chilled water units set forth in Annex B. The State agrees to pay these Fixed Charges even if it reduces its requirements at the Premises. If the State's requirements at the Premises are reduced, the State may either (i) allocate such capacity to other new or existing premises owned by the State, provided that if such additional premises are not connected to the EDS the State will pay for the cost of interconnection and metering (in which case such premises shall be included in the definition of Premises) or (ii) request the Supplier to market said excess capacity to other customers. If the capacity designated as excess capacity by the State is resold, the revenues received by the Supplier from such sale that are attributable to the fixed capital cost and the fixed operational cost (net of any commissions due) shall be credited towards the State's payment requirement. In determining whether marketed capacity is the Supplier's or the State's, marketed capacity shall first be allocated to the Supplier's excess capacity from the original allocation of System costs, and second shall be allocated among the State and capacity derived from other customers on a first in first out basis. The provisions of Section 2.4 (b) and (c) shall not apply to the State.

5. Energy Efficiency Program. The Supplier will establish the fund described in Section 5.6 of the Agreement. From this fund the Supplier will make available an amount up to \$400,000 to

improve the thermal efficiency of those buildings with the projects listed in Annex G. The State and Metro agree to cooperate on those improvements, and to proceed with making those improvements with the funding provided by the Supplier, and the parties agree to make all reasonable efforts to complete such improvements prior to the Transition Date.

6. Improvements to State's Steam Distribution System. The Supplier shall make funding available for the purpose of making improvements to the State's steam distribution system and installing individual steam and chilled water meters on each of the buildings included in the Premises. Improvements may include replacing existing underground steam pipes and installing an underground tunnel system, where appropriate. The State may review and approve, and such approval shall not be unreasonably withheld, any improvements and shall provide such access as may be reasonably required by the Supplier or its contractor to implement the foregoing improvements. It is the Supplier's current intention to implement these improvements through a change order under its Initial System Operating Agreement, and the parties agree to make all reasonable efforts to complete such improvements prior to the Transition Date.

7. Ownership of State's Steam Distribution System. Prior to commencement of operation of the new System, the State shall convey all right, title and interest of the State in the State's existing steam distribution system, together with such improvements as shall have been made thereto by or on behalf of the Supplier, to the Supplier, subject to the Supplier receiving adequate assurances and agreements as to matters relating to liability for environmental matters such as asbestos and other potentially hazardous substances.

8. Substitute Service. Notwithstanding anything to the contrary herein, if Supplier is unable to perform and supply the Services required that constitute a material obligation required under this Agreement in Article II and if the Supplier is unable to cure said default upon the giving of notice of default and the lapse of the thirty (30)-day cure period as specified in Section 7.1, then the Customer shall have the right to (i) purchase the Services from an alternative source and/or (ii) use its own energy source for Services during the period(s) when Supplier is unable to provide the Services in each case during the period of continuing nonperformance.

9. Appropriations. All terms and conditions of this Contract constituting obligations of the State are made subject to the continued appropriations by the appropriate legislative body.

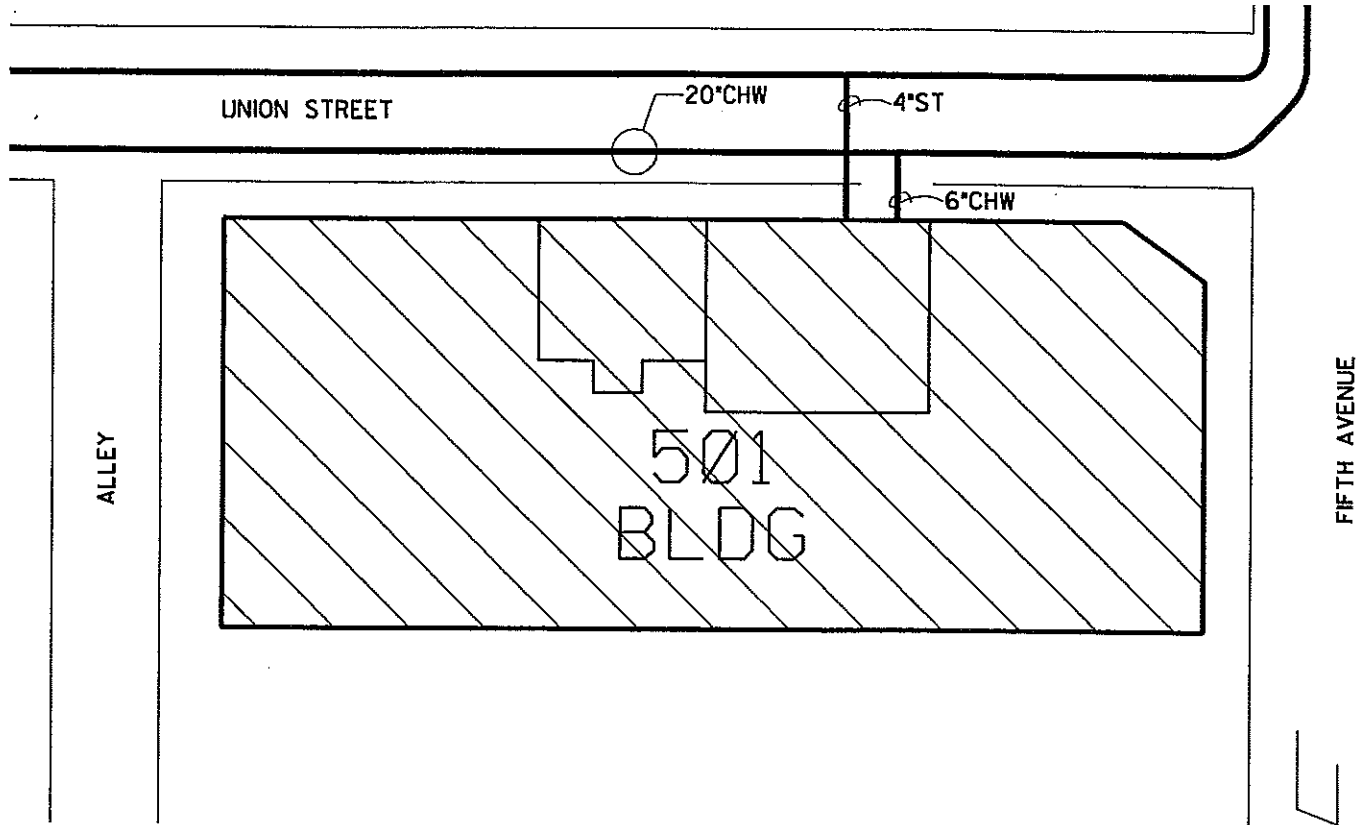
B. Provisions Applicable to Metro, as Customer.

1. In addition to the Contract Capacity Charge payable pursuant to Section 2.2(a), Metro shall pay an Additional Available System Capacity Charge equal to the difference between (i) total System costs less (ii) the sum of (a) revenues from Initial System Customers and (b) revenues from sales of energy to any other customers. The provisions of this section are subject to there being annual appropriations for such amounts.

ANNEX D

Drawings/Schematics

The drawings and schematics show the (1) address and legal description of the Customer buildings, (2) location of the Premises on the property, (3) point at which the Supplier's steam, condensate, chilled water supply and chilled water return pipes enter the building, (4) size in inches of the steam, condensate, chilled water supply, chilled water return pipes, (5) Delivery Point, (6) Return Point, (7) location of the Supplier's metering equipment, (8) location of the service stop valves, and (9) meter stop valves.



501 BUILDING
 501 UNION AVENUE
 DES DISTRIBUTION CONNECTION

Ref: Dwg. 2040501b.DGN

501 BUILDING
DES DISTRIBUTION CONNECTION

Sketch No

NASHVILLE

TENNESSEE

J.C. Thomasson Associates, Inc.

Job No.
202040

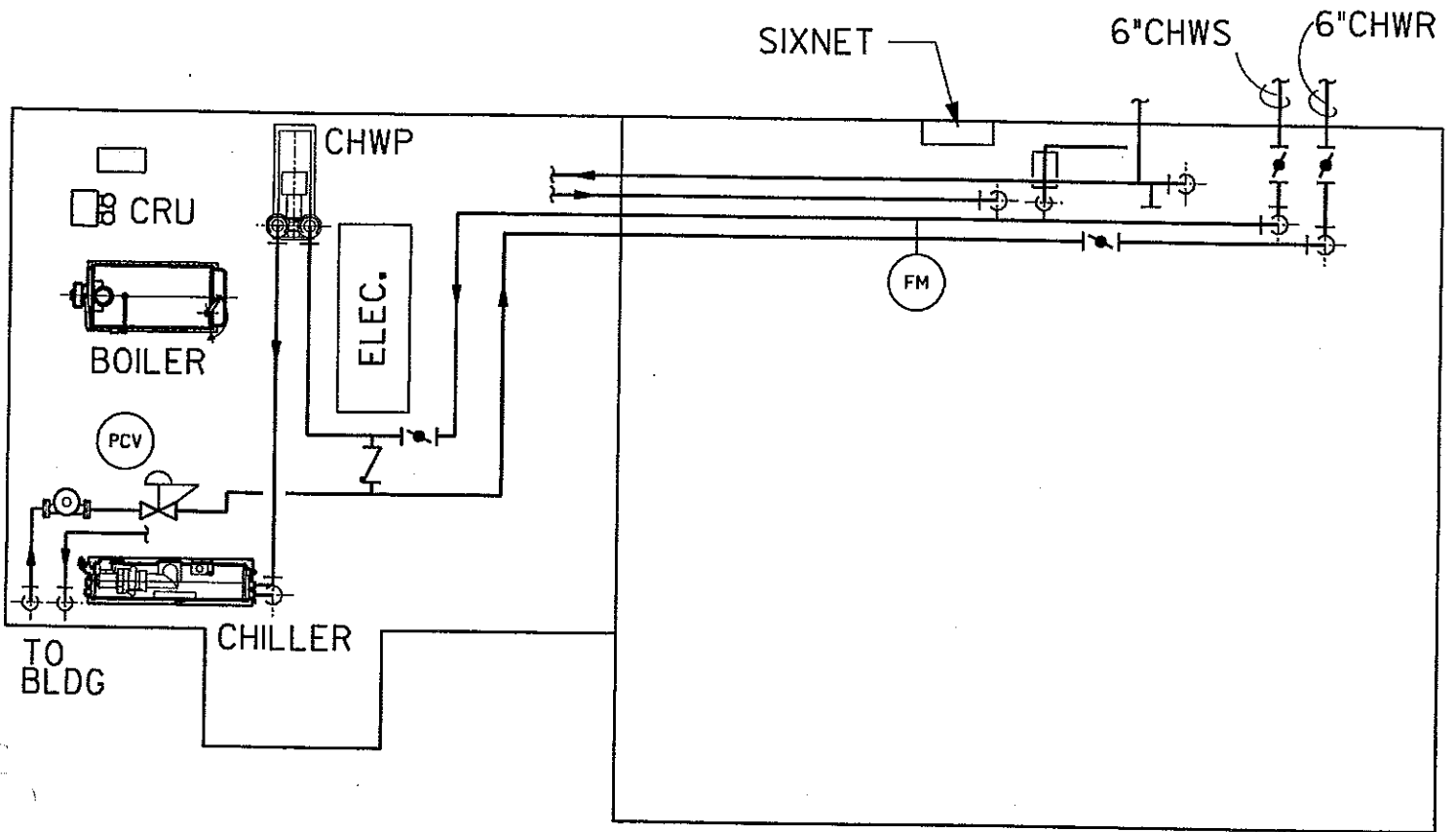
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Date
03/01/02

SK-1

NASHVILLE

TENNESSEE



501 BUILDING

MECHANICAL ROOM - BASEMENT

Ref: Dwg. 2040501b.DGN

**501 BUILDING
DES DISTRIBUTION CONNECTION**

Sketch No

NASHVILLE

TENNESSEE

Thomasson Associates, Inc.

Job No.
202040

Scale
1/8"=1'-0"

Date
03/01/02

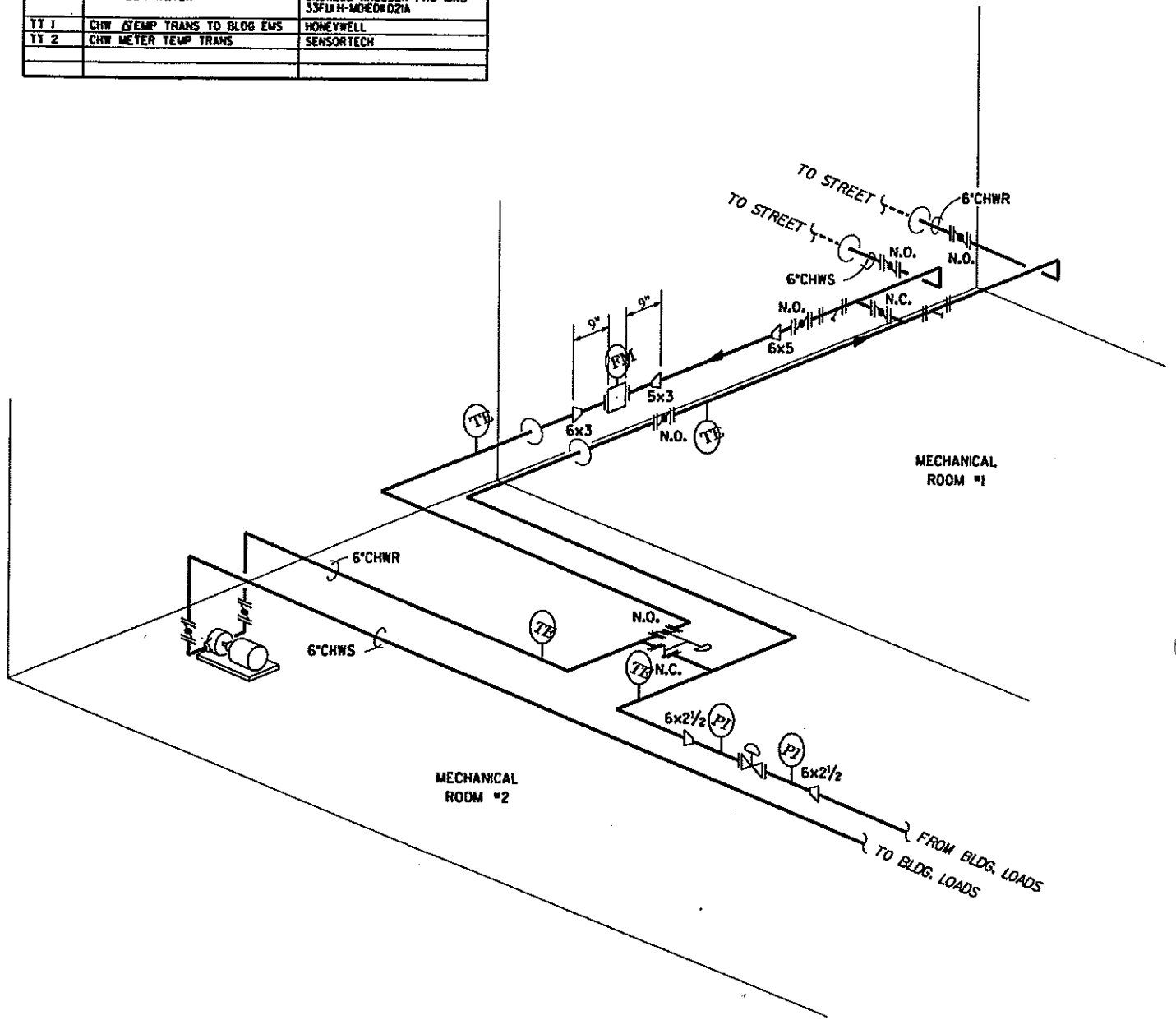
SK-2

NASHVILLE

TENNESSEE

SCHEDULE

TAG	DESCRIPTION	MAKE/MODEL
ICV 1	CHW TEMP CONTR VALVE	SENSORTECH (NOT OPERABLE)
PCV	2.5" PRESS CONTROL VALVE	ELECTRIC
FM	CHW FLOW METER	ENDRESS HAUSSER PRO MAG 33FLH-MDEHD21A
TT 1	CHW TEMP TRANS TO BLDG EMS	HONEYWELL
TT 2	CHW METER TEMP TRANS	SENSORTECH



501 BUILDING

DES CHILLED WATER CONNECTION

Ref: Dwg. 2040501b.DGN

**501 BUILDING
DES DISTRIBUTION CONNECTION**

Sketch No

NASHVILLE

TENNESSEE

J.C. Thomasson Associates, Inc.

Job No.
202040

Scale
NONE

Date
03/01/02

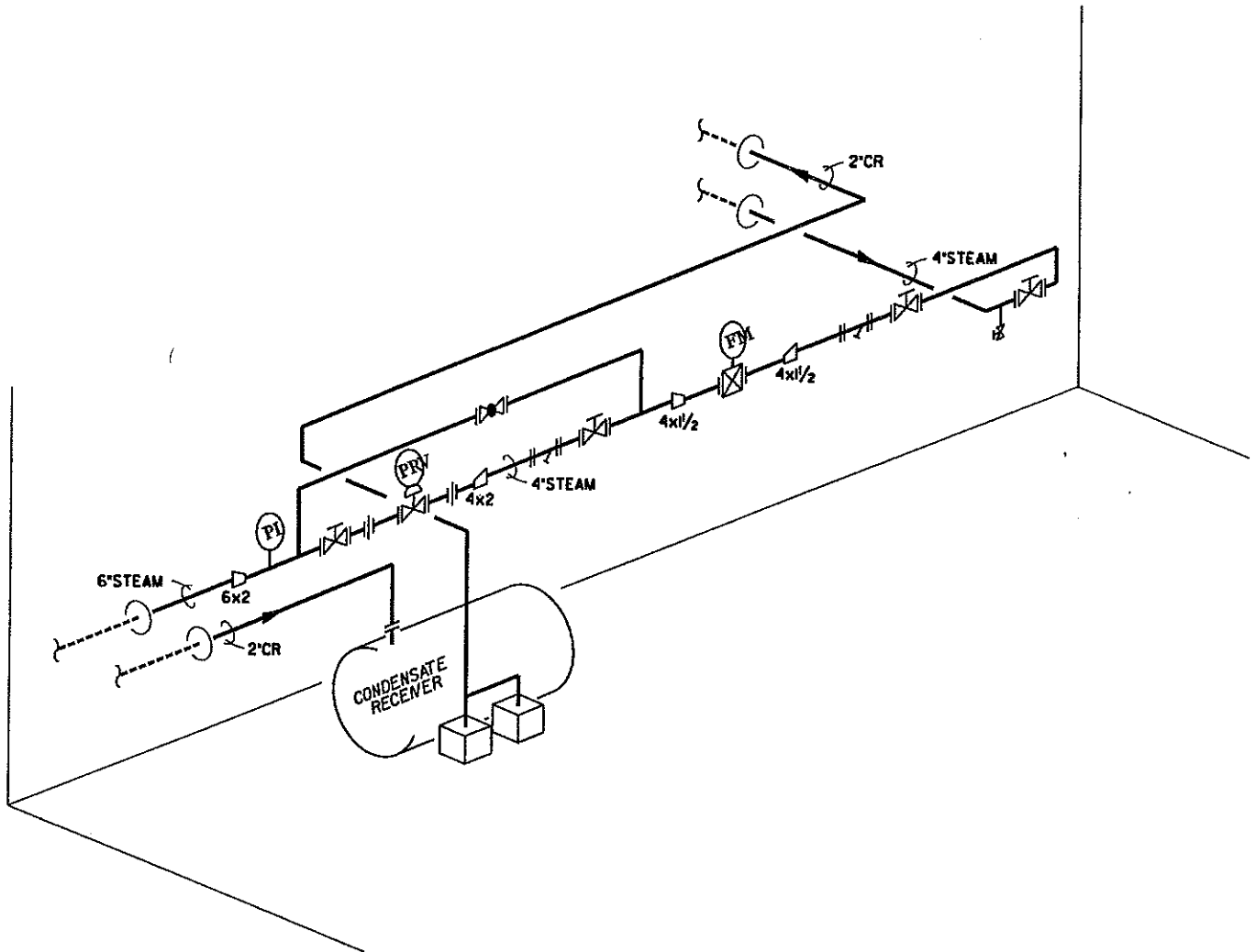
SK-3

NASHVILLE

TENNESSEE

SCHEDULE

TAG	DESCRIPTION	MAKE/MODEL	CUSTOMER
TCV 1	CHW TEMP CONTR VALVE-LINKAGE BROKEN		CONV CENTER
TCV 2	CHW TEMP CONTR VALVE	KEYSTONE	LOWER HOTEL
TCV 3	CHW TEMP CONTR VALVE	BRAY	UPPER HOTEL
TCV 4	CHW TEMP CONTR VALVE-CLOSED	ELECTRIC	OFFICE
FM 1	CHW FLOW METER	DANIEL	CONV CENTER
TY 1	CHW ΔT TEMP TRANS		CONV CENTER
TY 2	CHW METER TEMP TRANS		CONV CENTER
TY 3	CHW ΔT TEMP TRANS		UPPER HOTEL



501 BUILDING

DES STEAM CONNECTION

Ref: Dwg. 2040501b.DGN

**501 BUILDING
DES DISTRIBUTION CONNECTION**

Sketch No

NASHVILLE

TENNESSEE

J.C. Thomasson Associates, Inc.

Job No.
202040

Scale
NONE

Date
03/01/02

SK-4

NASHVILLE

TENNESSEE

ANNEX E

Water Quality Specifications

A. Steam Service

Steam shall be delivered to Customer and steam condensate shall be returned from Customer at a condition meeting or exceeding the following:

The American Society of Mechanical Engineers, "Consensus on Operating Practices for the Control of Feedwater and Boiler Water Quality in Modern Industrial Boilers," Table 1: Suggested Water Quality Limits, 0 – 300 PSIG, for feedwater, (excluding the "dissolved oxygen" standards in the case of condensate return), latest edition and as may be updated from time to time.

B. Chilled Water Service

Chilled water shall be supplied to Customer at a condition meeting or exceeding the following:

The 1995 ASHRAE Applications Handbook 44.15 (Closed Recirculatory System), as the same may be updated from time to time, or in any handbook or guidelines issued in substitution thereof.

Customer shall maintain chilled water quality as follows:

1. Indirect connection between the customer and the chilled water system (Heat Exchanger).

Customer shall maintain water quality in accordance with the 1995 ASHRAE Applications Handbook 44.15 (Closed Recirculatory System), as the same may be updated from time to time, or in any handbook or guidelines issued in substitution thereof. Supplier may, from time to time, test building water quality and notify the Customer if they are not in compliance with this standard.

2. Direct Connection between the customer and the chilled water system.

Customer shall not add or remove any water from the system without the approval of Supplier. In addition, Customer shall not at any time or for any reason add any chemical treatment or freeze preventative chemicals to the chilled water system. If Customer chooses to drain its chilled water system in the winter, it shall notify Supplier in advance in writing, and shall not be reconnected to the chilled water system until such time as the water quality in the building chilled

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water system is tested by Supplier and found to be free from chemicals and chemical residues. Supplier may from time to time test the quality of the chilled water returned from the customer to determine if it has the same quality as the chilled water supplied to the customer.

ANNEX F

Description of Prior Contract With NTTC

See Attached Contract

ANNEX G

Thermal Efficiency Improvements
(Proposed improvements and buildings to be improved)

ANNEX H

Sample Calculation of Capital Charge Adjustment for the State

The following is a sample calculation of the adjustment to the State's Capital Charge based on \$21,029,528.38 capital investment over 30 years if the All In True Interest Cost is other than 5.0%.

If at the time of financing for the System, the All In True Interest Cost is 5.25%, the Capital Charge will be adjusted upward as follows:

If 5% interest Capital Charge is \$1,668,001 (\$300,000 + \$1,368,001), then the
5.25% interest Capital Charge would be \$1,707,231 (\$300,000 + \$1,407,231)

If at the time of financing for the System, the All In True Interest Cost is 4.75%, the Capital Charge will be adjusted downward as follows:

If 5% interest Capital Charge is \$1,668,001 (\$300,000 + \$1,368,001), then the
4.75% interest Capital Charge would be \$1,629,265 (\$300,000 + \$1,329,265)

ANNEX I

Nashville Thermal Transfer Corporation's 2002 Rates

Nashville Thermal Transfer Corporation
Service Rates (Private Customers)
 Effective July 1, 2001

Rate Block		Steam Service Rate
<u>Demand Charge</u>		
First	500 lbs./hr. of demand or any portion thereof	\$449/mo.
Next	1,000 lbs./hr. of demand	\$675/mo./1,000 lbs./hr.
Next	1,500 lbs./hr. of demand	\$585/mo./1,000 lbs./hr.
Next	2,000 lbs./hr. of demand	\$496/mo./1,000 lbs./hr.
Next	5,000 lbs./hr. of demand	\$474/mo./1,000 lbs./hr.
All Over	10,000 lbs./hr. of demand	\$449/mo./1,000 lbs./hr.

<u>Commodity Charge</u>		
First	200,000 lbs./mo.	\$12.28/1,000 lbs.
Next	300,000 lbs./mo.	\$10.25/1,000 lbs.
Next	500,000 lbs./mo.	\$ 9.00/1,000 lbs.
Next	1,000,000 lbs./mo.	\$ 8.02/1,000 lbs.
All Over	2,000,000 lbs./mo.	\$ 7.34/1,000 lbs.

The minimum monthly charge is the demand charge.

A pound of steam is equivalent to one pound of water evaporated into steam or one pound of water condensed from steam.

Rate Block		Water Service Rate
<u>Demand Charge</u>		
First	50 tons of demand or any portion thereof	\$536/mo.
Next	50 tons of demand	\$9.27/mo./ton
Next	400 tons of demand	\$8.46/mo./ton
Next	1,500 tons of demand	\$7.76/mo./ton
All Over	2,000 tons of demand	\$6.98/mo./ton
<u>Commodity Charge</u>		
First	25,000 ton-hours/mo.	\$.1390/ton-hour
Next	75,000 ton-hours/mo.	\$.1169/ton-hour
Next	150,000 ton-hours/mo.	\$.1030/ton-hour
Next	250,000 ton-hours/mo.	\$.0965/ton-hour
All Over	500,000 ton-hours/mo.	\$.0927/ton-hour

The minimum monthly charge is the demand charge.

One ton is defined as 12,000 BTUs per hour and an hour is defined as any consecutive sixty minutes.

Interruptible charges are for commodity only.

Nashville Thermal Transfer Corporation
Service Rates (Standard and Metro)
 Effective July 1, 2001

Rate Block		Steam Service Rate
<u>Demand Charge</u>		
First	500 lbs./hr. of demand or any portion thereof	\$566/mo.
Next	1,000 lbs./hr. of demand	\$850/mo./1,000 lbs./hr.
Next	1,500 lbs./hr. of demand	\$737/mo./1,000 lbs./hr.
Next	2,000 lbs./hr. of demand	\$624/mo./1,000 lbs./hr.
Next	5,000 lbs./hr. of demand	\$597/mo./1,000 lbs./hr.
All Over	10,000 lbs./hr. of demand	\$566/mo./1,000 lbs./hr.

Commodity Charge

First	200,000 lbs./mo.	\$15.46/1,000 lbs.
Next	300,000 lbs./mo.	\$12.91/1,000 lbs.
Next	500,000 lbs./mo.	\$11.33/1,000 lbs.
Next	1,000,000 lbs./mo.	\$10.10/1,000 lbs.
All Over	2,000,000 lbs./mo.	\$ 9.25/1,000 lbs.

The minimum monthly charge is the demand charge.

A pound of steam is equivalent to one pound of water evaporated into steam or one pound of water condensed from steam.

Rate Block		Water Service Rate
<u>Demand Charge</u>		
First	50 tons of demand or any portion thereof	\$556/mo.
Next	50 tons of demand	\$9.62/mo./ton
Next	400 tons of demand	\$8.78/mo./ton
Next	1,500 tons of demand	\$8.06/mo./ton
All Over	2,000 tons of demand	\$7.25/mo./ton

Commodity Charge

First	25,000 ton-hours/mo.	\$.1444/ton-hour
Next	75,000 ton-hours/mo.	\$.1214/ton-hour
Next	150,000 ton-hours/mo.	\$.1069/ton-hour
Next	250,000 ton-hours/mo.	\$.1002/ton-hour
All Over	500,000 ton-hours/mo.	\$.0962/ton-hour

The minimum monthly charge is the demand charge.

One ton is defined as 12,000 BTUs per hour and an hour is defined as any consecutive sixty minutes.

Interruptible charges are for commodity only.