P.O. Box 029100, Miami, FL 33102-9100

FPL

ORIGINAL

February 6, 2002

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COMMISSION
CLERK

Blanca S. Bayo, Director
Records and Reporting
Florida Public Service Commission
4075 Esplanade Way, Room 110
Tallahassee, Florida 32399-0850

020000-PU

Dear Ms. Bayo:

Pursuant to FPSC rule 25-17.0832, Firm Capacity and Energy Contracts, enclosed for filing is a copy of a signed standard offer contract for the purchase of firm capacity and energy FPL has received from Ameresco Energy Services. A summary of the terms of the contract is also enclosed.

Sincerely,

Anne M. Grealy
Director, Regulatory Affairs

cc: Roland Floyd
Kevin A. Sullivan, Ameresco Energy Services w/o attachments

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE
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FPSC-COMMISSION CLERK

Enclosed please find a copy of a signed Standard Offer Contract executed by Ameresco Medley, Inc. (Ameresco) and submitted to FPL on January 28, 2002. FPL has not executed the Standard Offer Contract as of this date. Pursuant to Rule 25-17.0832(4)(c) FPL has 60 days as of receipt of a signed Standard Offer Contract to accept and sign. The following summary of the terms and conditions of the Standard Offer Contract is being provided pursuant to FPSC Rule 25-17.0832 (1)(b).

- Ameresco Medley, Inc is a signatory to the enclosed Standard Offer Contract.

- The amount of the committed capacity specified in the contract is 5,000 kW. The net output of the facility is 7,345 kW. The type of facility is a reciprocating engine plant that uses landfill gas (methane) as its fuel. It is located in the city of Medley in Miami-Dade County, Florida. Representatives of the Facility are currently working with FPL's Transmission Services Department to identify the interconnection and transmission requirements for the facility.

- The amount of energy expected to be delivered to FPL is 62,165 MWh on an annual basis; with the on-peak energy to be delivered estimated to be 15,524 MWh, and the off-peak energy estimated at 46,641 MWh. These estimates have been provided by Ameresco.

- The Standard Offer Contract is based on a 5 MW portion of a 165 MW combustion turbine with an in-service date of January 1,2003.

- The in-service date of the qualifying facility is January 1, 2003.

- Delivery of firm capacity and energy is expected to commence by January 1, 2003, at which point capacity payments are to commence.

AMERESCO
E·N·E·R·G·Y S·E·R·V·I·C·E·S

January 25, 2002

Ms. Delia Perez-Alonso
Manager, Wholesale Services
Florida Power & Light Company
9250 West Flagler Street
Miami, FL 33174

Re: Standard Offer Contract

Dear Ms. Perez-Alonso,

Enclosed please find Ameresco's response to the above referenced solicitation. I appreciate all the assistance you've provided to us during the preparation of our proposal, and I look forward to having the opportunity to work with you on this project.

I will email another letter to you on January 28 that outlines some of the issues we discussed on the telephone Once again, thanks for all of your time and cooperation, and please feel free to call me with any questions you may have.

Sincerely,

Kevin A Sullivan
Director, Asset Development

Enclosure

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P02 AM

111 Speen Street • Suite 410 • Framingham, MA 01701
Phone: 508-661-2200 • Fax: 508-661-2201

STANDARD OFFER CONTRACT FOR THE PURCHASE OF
FIRM CAPACITY AND ENERGY FROM A SMALL POWER PRODUCER OR OTHER QUALIFYING FACILITY USING RENEWABLE OR NON-FOSSIL FUEL, A QUALIFYING FACILITY WITH A DESIGN CAPACITY OF 100KW OR LESS OR A SOLID WASTE FACILITY

THIS CONTRACT is made and entered this _____ day of _____, _____, by and between AMERESCO MEDLEY, INC. (hereinafter "the QF"), and Florida Power & Light Company (hereinafter "FPL") a private utility corporation organized and existing under the laws of the State of Florida. The QF and FPL shall be identified herein as the "Parties". This Contract contains four Appendices; Appendix A, COG-2 Standard Rate for Purchase of Firm Capacity and Energy; Appendix B, Pay for Performance Provisions; Appendix C, Termination Fee; and Appendix D, Detailed Project Information.

WITNESSETH:

WHEREAS, the QF desires to sell, and FPL desires to purchase electricity to be generated by the QF consistent with Florida Public Service Commission ("FPSC") Rules 25-17.080 through 25-17091 F.A.C.; and

WHEREAS, the QF has signed an interconnection agreement with FPL, or has signed an interconnection/transmission service ("Wheeling") agreement with the utility in whose service territory the Facility is to be located, pursuant to which the QF assumes contractual responsibility to make any and all wheeling-related arrangements (including control area services) between the QF and the wheeling utility for delivery of the Facility's firm capacity and energy to FPL; and

WHEREAS, the FPSC has approved this Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Small Power Producer or other Qualifying Facility using renewable or non-fossil fuel, a Qualifying Facility with a design capacity of 100 KW or less, or a Solid Waste Facility; and

WHEREAS, the QF guarantees that the Facility is capable of delivering firm capacity and energy to FPL for the term of this Contract in a manner consistent with the provisions of this Contract;

NOW, THEREFORE, for mutual consideration the Parties agree as follows:

1. **Facility; Qualifying Status**

The QF contemplates installing and operating a 7,572 KVA @ PF = 1.0 generator located at MEDLEY LANDFILL, 9350 NW 89th AVE, MEDLEY, FL 33178 (hereinafter called the "Facility"). The generator is designed to produce a maximum of 7,194 kilowatts (kW) of electric power at an 85% lagging to 85% leading power factor. The facility's location and generation capabilities are as described in the table below.

TECHNOLOGY AND GENERATOR CAPABILITIES	
Location: Specific legal description (e.g., metes and bounds or other legal description with street address required)	City: MEDLEY, FL County: DADE COUNTY
Generator Type (Induction or Synchronous)	SYNCHRONOUS
Type of Facility (Cogeneration, Small Power Production, MSW)	SMALL POWER PRODUCTION
Technology	RECIP. ENGINE PLANT
Fuel Type and Source	LANDFILL GAS (METHANE)
Generator Rating (KVA)	2500KVA - EACH GENSET (x4)
Maximum Capability (kW)	(4) x 1893 KW @ PF=1.0 EACH GENSET
Net Output (kW)	7345KW (3% PARA.)
Power Factor (%)	0.9 LAGGING
Operating Voltage (kV)	4160V; x-form to 13.8 kV
Peak Internal Load kW	250 KW (MOMENTARY)

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(Continued on Sheet No. 9.850.1)

(Continued from Sheet No. 9.850)

The QF's failure to complete the foregoing table in its entirety shall render this Contract null and void and of no further effect.

The Facility (i) has been certified or has self-certified as a "qualifying facility" pursuant to the Regulations of the Federal Energy Regulatory Commission ("FERC"), or (ii) has been certified by the FPSC as a "qualifying facility" pursuant to Rule 25-17.080 (1). The QF shall maintain the "qualifying" status of the Facility throughout the term of this Contract. FPL shall have the right at all times to inspect the Facility and to examine any books, records, or other documents of the QF that FPL deems necessary to verify the Facility's Qualifying Status. On or before March 31 of each year during the term of this Contract, the QF shall provide to FPL a certificate signed by an officer of the QF certifying that the QF continuously maintained qualifying status during the prior calendar year.

2. Term of Contract

Except as otherwise provided herein, this Contract shall become effective immediately upon its execution by the Parties and shall end at 12:01 a.m., January 1, 2008, unless terminated earlier in accordance with the provisions hereof.

Notwithstanding the foregoing, if the Capacity Delivery Date of the Facility is not accomplished by the QF before January 1, 2003, (or such later date as may be permitted by FPL pursuant to Section 5) FPL's obligations under this Contract shall be rendered of no force and effect.

3. Minimum Specifications

As required by FPSC Rule 25-17.0832 (4) (e), below are the minimum specifications pertaining to this Contract:

1. The avoided unit ("Avoided Unit") on which this Contract is based is a 5 MW portion of a 165 MW combustion turbine.
2. The total Committed Capacity needed to fully subscribe the Avoided Unit is 5 MW (the "Subscription Limit").
3. This offer shall expire on the earlier of (i) the date the subscription limit is fully subscribed or (ii) upon the expiration of the two (2) week "Open Solicitation Period." The Open Solicitation Period shall be defined as the ten (10) successive business days commencing on the final effective date of this Standard Offer Contract, as approved by the FPSC, and ending on the tenth business day at the close of business, 5PM Eastern Prevailing Time (EPT).
4. The date by which firm capacity and energy deliveries from the QF to FPL shall commence is January 1, 2003 (or such later date as may be permitted by FPL pursuant to Section 5) unless the Facility chooses capacity payments under Options B, C, or D, pursuant to the terms of this contract.
5. The period of time over which firm capacity and energy shall be delivered from the QF to FPL is the five (5) year period beginning on January 1, 2003.
6. The following are the minimum performance standards for the delivery of firm capacity and energy by the QF to qualify for full capacity payments under this Contract:

(Continued on Sheet No. 9.851)

FLORIDA POWER & LIGHT COMPANY

Seventh Revised Sheet No. 9.851
Cancels Sixth Sheet No. 9.851

(Continued from Sheet No. 9.850.1)

	On Peak *	Off Peak
Availability	98%	98%

* QF Performance and On Peak hours shall be as measured and/or described in FPL's Rate Schedule COG-2 attached hereto as Appendix A

4. Sale of Electricity by the QF

4.1 Purchase by FPL

Consistent with the terms hereof, the QF shall sell to FPL and FPL shall purchase from the QF all of the electric power generated by the Facility. FPL shall have the sole right to purchase all energy and capacity from the Facility. The purchase and sale of electricity pursuant to this Contract shall be a (X) net billing arrangement or ( ) simultaneous purchase and sale arrangement; provided, however, that no such arrangement shall cause the QF to sell more than the Facility's net output. The billing methodology may be changed at the option of the QF, subject to the provisions of FPL Rate Schedule COG-2.

4.2 The QF shall not rely on interruptible standby service for the start up requirements (initial or otherwise) of the Facility.

5. Committed Capacity/Capacity Delivery Date

5.1 The QF commits to sell capacity to FPL, the amount of which shall be determined in accordance with this Section 5 (the "Committed Capacity"). Subject to Section 5.3 the Committed Capacity is set at 5,000 KW 5,000 kW, with an expected Capacity Delivery Date of January 1, 2003.

5.2 Testing of the capacity of the Facility (each such test, a "Committed Capacity Test") shall be performed in accordance with the procedures set forth in Section 6. The Demonstration Period for the first Committed Capacity Test shall commence no earlier than 30 days following FPL's acceptance of the original Standard Offer Contract and testing must be completed by 11:59 p.m., December 31, 2002. The first Committed Capacity Test shall not be successfully completed unless the Facility demonstrates a Capacity of at least one hundred percent (100%) of the Committed Capacity set forth in Section 5.1. Subject to Section 6.1 the QF may schedule and perform up to three (3) Committed Capacity Tests to satisfy the requirements of the Contract with respect to the first Committed Capacity Test.

5.3 In addition to the first Committed Capacity Test, FPL shall have the right to require the QF, by notice thereto, to validate the Committed Capacity by means of a Committed Capacity Test at any time, up to six (6) times per year, the results of which shall be provided to FPL within seven (7) days of the conclusion of such test. On and after the date of such requested Committed Capacity Test, and until the completion of a subsequent Committed Capacity Test, the Committed Capacity shall be set at the lower of the Capacity tested or the Committed Capacity as set forth in Section 5.1.

5.4 Notwithstanding anything to the contrary herein, the Committed Capacity may not exceed the amount set forth in Section 5.1 without the consent of FPL, to be granted in FPL's sole discretion.

5.5 The "Capacity Delivery Date" shall be defined as the first calendar day immediately following the date of the Facility's successful completion of the first Committed Capacity Test.

5.6 In no event shall FPL make capacity payments to the QF prior to the Capacity Delivery Date.

5.7 The QF shall be entitled to receive capacity payments beginning on the Capacity Delivery Date, provided the Capacity Delivery Date occurs on or after January 1, 2002 and on or before January 1, 2003 (or such later date permitted by FPL pursuant to the following sentence). If the Capacity Delivery Date does not occur on or before January 1, 2003, FPL shall immediately be entitled to draw down the Completion/Performance security in full, and in addition, FPL may, but shall not be obligated to, allow the QF up to an additional five (5) months to achieve the Capacity Delivery Date. If the QF fails to achieve the Capacity Delivery Date either (i) by January 1, 2003 or (ii) by such later date as permitted by FPL, FPL shall have no obligation to make any capacity payments under this Contract and this Contract shall be rendered null and void and of no further effect.

(Continued on Sheet No. 9.852)

(Continued from Sheet No. 9.851)

6. Testing Procedures

6.1 The Committed Capacity Test must be completed successfully within a sixty-hour period (the "Demonstration Period"), which period, including the approximate start time of the Committed Capacity Test, shall be selected and scheduled by the QF by means of a written notice to FPL delivered at least thirty (30) days prior to the start of such period. The provisions of the foregoing sentence shall not apply to any Committed Capacity Test ordered by FPL under any of the provisions of this Contract. FPL shall have the right to be present onsite to monitor any Committed Capacity Test required or permitted under this Contract.

6.2 Committed Capacity Test results shall be based on a test period of twenty-four (24) consecutive hours (the "Committed Capacity Test Period") at the highest sustained net KW rating at which the Facility can operate without exceeding the design operating conditions, temperature, pressures, and other parameters defined by the applicable manufacturer(s) for steady state operations at the Facility. The Committed Capacity Test Period shall commence at the time designated by the QF pursuant to Section 6.1 or at such time requested by FPL pursuant to Section 5.3; provided, however, that the Committed Capacity Test Period may commence earlier than such time in the event that FPL is notified of, and consents to, such earlier time.

6.3 Normal station service use of unit auxiliaries, including, without limitation, cooling towers, heat exchangers, and other equipment required by law, shall be in service during the Committed Capacity Test Period. Normal deliveries of the contracted quantity and quality of cogenerated steam to the steam host, if any, shall be required during the Committed Capacity Test Period.

6.4 The Capacity of the Facility (the"Capacity") shall be the average net capacity (generator output minus auxiliary) measured over the Committed Capacity Test Period.

6.5 The Committed Capacity Test shall be performed according to standard industry testing procedures for the appropriate technology of the QF.

6.6 Except as otherwise provided herein, results of any Committed Capacity Test shall be submitted to FPL by the QF within seven (7) days of the conclusion of the Committed Capacity Test.

7. Payment for Electricity Produced by the Facility

7.1 **Energy**

FPL agrees to pay the QF for energy produced by the Facility and delivered to FPL in accordance with the rates and procedures contained in FPL's approved Rate Schedule COG-2, attached hereto as Appendix A, as it may be amended from time to time. The Parties agree that this Contract shall be subject to all of the provisions contained in Rate Schedule COG-2 as approved and on file with the FPSC.

7.2 **Capacity**

FPL agrees to pay the QF for the capacity described in Section 5 in accordance with the rates and procedures contained in Rate Schedule COG-2, as it may be amended and approved from time to time by the FPSC, and pursuant to the election of Option ____A____ of Rate Schedule COG-2. The QF understands and agrees that Capacity payments will only be made under Option B, Option C, or Option D if the QF has achieved the Capacity Delivery Date and is delivering firm capacity and energy to FPL. Once so selected, this option cannot be changed for the life of this Contract.

7.3 **Payments**

Payments due the QF will be made monthly, and normally by the twentieth business day following the end of the billing period. The kilowatt-hours sold by the QF and the applicable avoided energy rate at which payments are being made shall accompany the payment to the QF.

(Continued on Sheet No. 9.853)

(Continued from Sheet No. 9.852)

8. Electricity Production and Plant Maintenance Schedule

8.1 No later than thirty (30) days prior to the Capacity Delivery Date, and prior to April 1 of each calendar year thereafter during the term of this Contract, the QF shall submit to FPL in writing a detailed plan of the amount of electricity to be generated by the Facility and delivered to FPL for each month of the following calendar year, including the time, duration and magnitude of any scheduled maintenance period(s) or reductions in capacity.

8.2 By October 31 of each calendar year, FPL shall notify the QF in writing whether the requested scheduled maintenance periods in the detailed plan are acceptable. If FPL cannot accept any of the requested scheduled maintenance periods, FPL shall advise the QF of the time period closest to the requested period(s) when the outage(s) can be scheduled. The QF shall only schedule outages during periods approved by FPL, and such approval shall not be unreasonably withheld. Once the schedule for the detailed plan has been established and approved, either Party requesting a subsequent change in such schedule, except when such event is due to Force Majeure, must obtain approval for such change from the other Party. Such approval shall not be unreasonably withheld or delayed. Scheduled maintenance outage days shall be limited to 7 days per calendar year. In no event shall maintenance periods be scheduled during the following periods: June 1 through and including September 15 and December 1 through and including February 28 (or 29th as the case may be).

8.3 The QF shall comply with reasonable requests by FPL regarding day-to-day and hour-by-hour communication between the Parties relative to electricity production and maintenance scheduling.

8.4 Dispatch and Control

8.4.1 Power supplied by the QF hereunder shall be in the form of three-phase 60 Hertz alternating current, at a nominal perating voltage of 13,800 volts (13.8 kV) and power factor dispatchable and controllable in the range of 85% lagging to 85% leading as measured at the interconnection point to maintain system operating parameters, as specified by FPL.

8.4.2 The QF shall operate the Facility with all system protective equipment in service whenever the Facility is connected to, or is operated in parallel with, FPL's system, except for normal testing and repair in accordance with good engineering and operating practices as agreed by the Parties. The QF shall provide adequate system protection and control devices to ensure safe and protected operation of all energized equipment during normal testing and repair. The QF shall have qualified personnel test and calibrate all protective equipment at regular intervals in accordance with good engineering and operating practices. A unit functional trip test shall be performed after each overhaul of the Facility's turbine, generator or boilers and results provided to FPL prior to returning the equipment to service. The specifics of the unit functional trip test will be consistent with good engineering and operating practices as agreed by the Parties.

8.4.3 If the Facility is separated from the FPL system for any reason, under no circumstances shall the QF reconnect the Facility into FPL's system without first obtaining FPL's specific approval.

8.4.4 During the term of this Contract, the QF shall employ qualified personnel for managing, operating and maintaining the Facility and for coordinating such with FPL. The QF shall ensure that operating personnel are on duty at all times, twenty-four hours a calendar day and seven calendar days a week. Additionally, during the term of this Contract, the QF shall operate and maintain the Facility in such a manner as to ensure compliance with its obligations hereunder and in accordance with applicable law and prudent utility practices.

8.4.5 FPL shall not be obligated to purchase, and may require curtailed or reduced deliveries of, energy to the extent necessary to maintain the reliability and integrity of any part of FPL's system, or in the event that FPL determines that a failure to do so is likely to endanger life or property, or is likely to result in significant disruption of electric service to FPL's customers. FPL shall give the QF prior notice, if practicable, of its intent to refuse, curtail or reduce FPL's acceptance of energy pursuant to this Section and will act to minimize the frequency and duration of such occurrences.

(Continued on Sheet No. 9 853.1)

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(Continued from Sheet No. 9.853)

8.4.6 After providing notice to the QF, FPL shall not be required to accept or purchase energy from the QF during any period in which, due to operational circumstances, acceptance or purchase ofsuch energy would result in FPL's incurring costs greater than those which it would incur if it did not make such purchases. An example of such an occurrence would be a period during which the load being served is such that the generating units on line are base load units operating at their minimum continuous ratings and the purchase of additional energy would require taking a base load unit off the line and replacing the remaining load served by that unit with peaking-type generation. FPL shall give the QF as much prior notice as practicable of its intent not to accept energy pursuant to this Section.

8.4.7 FPL may, at any time during the term hereof, by oral, written, or electronic notification to the QF, request the QF to deliver capacity and associated energy up to the full Committed Capacity to meet FPL's system requirements. The QF shall comply with such request within ten (10) minutes of receiving such notification from FPL. Any clock hour for which FPL requests the delivery of such capacity and energy ("Scheduled Energy") shall be referred to herein as a "Dispatch Hour."

(Continued on Sheet No. 9.854)

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(Continued from Sheet No. 9.853.1)

9. Completion/Performance Security

9.1 As security for the achievement of the Capacity Delivery Date and satisfactory performance of its obligations hereunder, the QF shall provide FPL either: (a) an unconditional, irrevocable, direct-pay letter(s) of credit in effect through the first (1st) anniversary of the Capacity Delivery Date (or the next business day thereafter), issued by a financial institution(s) having an investment grade credit rating, in form and substance acceptable to FPL (including provisions (i) permitting partial and full draws and (ii) permitting FPL to draw in full if such letter of credit is not renewed or replaced as required by the terms hereof at least ten (10) business days prior to its expiration date); or (b) a cash deposit(s) with FPL. Such letter(s) of credit or cash deposit (s) shall be provided in the amount and by the date listed below:

9.1.1 $30.00 per kW (for the number of kW set forth in Section 5.1) within thirty (30) calendar days of the execution of this Contract by the Parties hereto.

9.2 The specific security instrument provided for purposes of this Contract is:

(X) unconditional, irrevocable, direct pay letter(s) of credit.
( ) Bond.
( ) cash deposit(s) with FPL.

9.3 FPL shall have the right to monitor the financial condition of the issuer(s) in the event any letter of credit is provided by the QF. In the event the senior debt rating of any issuer(s) has deteriorated to a level below investment grade, FPL may require the QF to replace the letter(s) of credit. The replacement letter(s) of credit must be issued by a financial institution(s) with an investment grade credit rating, and meet the requirements of Section 9.1, within thirty (30) calendar days following written notification to the QF of the requirement to replace. Failure by the QF to comply with the requirements of this Section 9.3 shall be grounds for FPL to draw in full on the existing letter of credit and to exercise any other remedies it may have hereunder.

9.4 Notwithstanding the foregoing provisions of this Section 9, pursuant to FPSC Rule 25-17.091(4), F.A.C., a QF qualifying as a "Solid Waste Facility" pursuant to Section 377.709(3) or (5), F.S., respectively, may use an unsecured promise to pay, by the local government which owns the Facility or on whose behalf the QF operates the Facility, to secure its obligation to achieve on a timely basis the Capacity Delivery Date and the satisfactory performance of its obligations hereunder.

9.5 If an Event of Default under Section 12 occurs, FPL shall be entitled immediately to receive, draw upon, or retain, as the case may be, one-hundred percent (100%) of the then-applicable Completion/Performance Security.

9.6 If an Event of Default has not occurred and the QF fails to achieve the Capacity Delivery Date on or before January 1, 2003 (irrespective of any extension that may be granted by FPL under Section 5.7) , FPL shall be entitled immediately to receive, draw upon, or retain, as the case may be, one-hundred (100%) of the Completion/Performance Security. The Parties acknowledge that the injury that FPL will suffer as a result of delayed availability of Committed Capacity and energy is difficult to ascertain and that FPL may accept such sums as liquidated damages or resort to any other remedies which may be available to it under law or in equity. If the Capacity Delivery Date occurs on or before January 1, 2003, then the QF shall be entitled to reduce the amount of the Completion/Performance Security to an amount equal to $15.00 per kW (for the number of kW set forth in Section 5.1).

9.7 In the event that FPL requires the QF to perform one or more Committed Capacity Test(s) at any time on or before the first anniversary of the Capacity Delivery Date pursuant to Section 5.3 and, in connection with any such Committed Capacity Test(s), the QF fails to demonstrate a Capacity of at least one-hundred percent (100%) of the Committed Capacity set forth in Section 5.1, FPL shall be entitled immediately to receive, draw upon, or retain, as the case may be, one-hundred percent (100%) of the then-remaining amount of the Completion/Performance Security. In the event that FPL does not require the QF to perform a Committed Capacity Test or if the QF successfully demonstrates (in connection with all such Committed Capacity Tests required by FPL pursuant to Section 5.3) a Capacity of at least one-hundred percent (100%) of the Committed Capacity set forth in Section 5.1, in either case, on or before the first anniversary of the Capacity Delivery Date, then the QF shall be entitled to a refund of or FPL shall return, as applicable, any remaining amount of the Completion/Performance Security within thirty (30) days of the first anniversary of the Capacity Delivery Date.

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(Continued on Sheet No. 9.854.1)

(Continued from Sheet No. 9.854)

10. Termination Fee

10.1 In the event that the QF receives capacity payments pursuant to Option B, Option C, or Option D, then upon the termination of this Contract, the QF shall owe and be liable to FPL for a termination fee calculated in accordance with Appendix C (the "Termination Fee"). The QF's obligation to pay the Termination Fee shall survive the termination of this Contract. FPL shall provide the QF, on a monthly basis, a calculation of the Termination Fee.

10.1.1 The Termination Fee shall be secured (with the exception of governmental solid waste facilities covered by FPSC Rule 25-17.091) by the QF by: (i) an unconditional, irrevocable, direct pay letter(s) of credit issued by a financial institution(s) with an investment grade credit rating in form and substance acceptable to FPL (including provisions (a) permitting partial and full draws and (b) permitting FPL to draw upon such letter of credit, in full, if such letter of credit is not renewed or replaced at least ten (10) business days prior to its expiration date; (ii) a bond issued by a financially sound company in form and substance acceptable to FPL; or (iii) a cash deposit with FPL (any of (i), (ii), or (iii), the "Termination Security"). The specific security instrument selected by the QF for purposes of this Contract is:

( ) Unconditional, irrevocable, direct pay letter(s) of credit
( ) Bond.
( ) Cash deposit(s) with FPL.

10.1.2 FPL shall have the right to monitor the financial condition of (i) the issuer(s) in the case of any letter of credit and (ii) the insurer(s), in the case of any bond. In the event the senior debt rating of any issuer(s) or insurer(s) has deteriorated to a level below investment grade, FPL may require the QF to replace the letter(s) of credit or the bond, as applicable. In the event that FPL notifies the QF that it requires such a replacement, the replacement letter(s) of credit or bond, as applicable, must be issued by a financial institution(s) or insurer(s) with an investment grade credit rating, and meet the requirements of Section 10.1.1 within thirty (30) calendar days following such notification. Failure by the QF to comply with the requirements of this Section 10.1.2 shall be grounds for FPL to draw in full on any existing letter of credit or bond and to exercise any other remedies it may have hereunder.

10.1.3 After the close of each calendar quarter (March 31, June 30, September 30, and December 31) occurring subsequent to the Capacity Delivery Date, upon FPL's issuance of the Termination Fee calculation as described in Section 10.1, the QF must provide within 10 days, FPL with written assurance and documentation (the "Security Documentation"), in form and substance acceptable to FPL, that the amount of the Termination Security is sufficient to cover the balance of the Termination Fee. In addition to the foregoing, at any time during the term of this Contract, FPL shall have the right to request, and the QF shall be obligated to deliver within five (5) days of such request, such Security Documentation. Failure by the QF to comply with the requirements of this Section 10.1.3 shall be grounds for FPL to draw in full on any existing letter of credit or bond or to retain any cash deposit, and to exercise any other remedies it may have hereunder.

10.1.4 Upon any termination of this Contract following the Capacity Delivery Date, FPL shall be entitled to receive (and in the case of the letter(s) of credit or bond, draw upon such letter(s) of credit or bond) and retain one-hundred percent (100%) of the Termination Security.

11. Performance Factor

FPL desires to provide an incentive to the QF to operate the Facility during on-peak and off-peak periods in a manner which approximates the projected performance of FPL's Avoided Unit. A formula to achieve this objective is attached as Appendix B.

(Continued on Sheet No. 9.855)

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(Continued from Sheet No. 9.854.1)

12. Default

Notwithstanding the occurrence of any Force Majeure as described in Section 16, each of the following shall constitute an Event of Default:

(a) The QF fails to maintain the "qualifying" status of the Facility obtained pursuant to one of the alternatives specified in Section 1 of this Contract;

(b) The QF changes or modifies the Facility from that provided in Section 1 with respect to its type, location, technology or fuel source, without prior written approval from FPL;

(c) After the Capacity Delivery Date, the Facility fails for twelve consecutive months to maintain an Annual Capacity Billing Factor, as described in Appendix B, of at least 90%;

(d) The QF fails to comply with any of the provisions of Section 9.0 hereof;

(e) The QF fails to comply with any of the provisions of Section 10.0 hereof;

(f) The QF ceases the conduct of active business; or if proceedings under the federal bankruptcy law or insolvency laws shall be instituted by or for or against the QF; or if a receiver shall be appointed for the QF or any of its assets or properties; or if any part of the QF's assets shall be attached, levied upon, encumbered, pledged, seized or taken under any judicial process, and such proceedings shall not be vacated or fully stayed within 30 days thereof; or if the QF shall make an assignment for the benefit of creditors, or admit in writing its inability to pay its debts as they become due;

(g) The QF fails to give proper assurance of adequate performance as specified under this Contract within 30 days after FPL, with reasonable grounds for insecurity, has requested in writing such assurance;

(h) The QF materially fails to perform as specified under this Contract, including, but not limited to, the QF's obligations under Sections 8, 9, 10, and 14-19.

(i) The QF fails to achieve licensing, certification, and all federal, state and local governmental environmental and licensing approvals required to initiate construction of the Facility by no later than July 1, 2002;

(j) The QF fails to comply with any of the provisions of Section 19.3 hereof;

(k) Any of the representations or warranties made by the QF in this Contract is false or misleading in any material respect as of the time made;

(l) The occurrence of an event of default by the QF under the Interconnection Agreement;

(m) The QF fails to satisfy its obligations under Section 8.4.7 more than two (2) times in any calendar year;

(n) The QF breaches any material provision of this Contract not specifically mentioned in this Section 12; or

(o) If at any time after the Capacity Delivery Date, the QF reduces the Committed Capacity due to an event of Force Majeure and fails to repair the Facility and reset the Committed Capacity to the level set forth in Section 5.1 (as such level may be reduced by Section 5.3) within twelve (12) months following the occurrence of such event of Force Majeure.

(Continued on Sheet No. 9.856)

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(Continued from Sheet No. 9.855)

13. FPL's Rights in the Event of Default

13.1 Upon the occurrence of any of the Events of Default in Section 12, FPL may, at its option:

13.1.1 terminate this Contract, without penalty or further obligation, except as set forth in Section 13.2, by written notice to the QF, and offset against any payment(s) due from FPL to the QF, any monies otherwise due from the QF to FPL;

13.1.2 enforce the provisions of the Termination Security requirement pursuant to Section 10 hereof; or

13.1.3 exercise any other remedy(ies) which may be available to FPL at law or in equity.

13.2 Termination shall not affect the liability of either Party for obligations arising prior to such termination or for damages, if any, resulting from any breach of this Contract.

14. Indemnification

14.1 FPL and the QF shall each be responsible for its own facilities. FPL and the QF shall each be responsible for ensuring adequate safeguards for other FPL customers, FPL's and the QF's personnel and equipment, and for the protection of its own generating system. Each Party (the "Indemnifying Party") agrees, to the extent permitted by applicable law, to indemnify, pay, defend, and hold harmless the other Party (the"Indemnifying Party") and its officers, directors, employees, agents and contractors (hereinafter called respectively, "FPL Entities" and "QF Entities") from and against any and all claims, demands, costs, or expenses for loss, damage, or injury to persons or property of the Indemnified Party (or to third parties) caused by, arising out of, or resulting from:

(a) a breach by the Indemnifying Party of its covenants, representations, and warranties or obligations hereunder;

(b) any act or omission by the Indemnifying Party or its contractors, agents, servants or employees in connection with the installation or operation of its generation system or the operation thereof in connection with the other Party's system;

(c) any defect in, failure of, or fault related to, the Indemnifying Party's generation system;

(d) the negligence or willful misconduct of the Indemnifying Party or its contractors, agents, servants or employees; or

(e) any other event or act that is the result of, or proximately caused by, the Indemnifying Party or its contractors, agents, servants or employees.

14.2 Payment by an Indemnified Party will not be a condition precedent to the obligations of the Indemnifying Party under Section 14. No Indemnified Party under Section 14 shall settle any claim for which it claims indemnification hereunder without first allowing the Indemnifying Party the right to defend such a claim. The Indemnifying Party shall have no obligations under Section 14 in the event of a breach of the foregoing sentence by the Indemnified Party. Section 14 shall survive termination of this Agreement.

15. Insurance

15.1 The QF shall procure or cause to be procured, and shall maintain throughout the entire term of this Contract, a policy or policies of liability insurance issued by an insurer acceptable to FPL on a standard "Insurance Services Office" commercial general liability form (such policy or policies, collectively, the "QF Insurance"). A certificate of insurance shall be delivered to FPL at least fifteen (15) calendar days prior to the start of any interconnection work. At a minimum, the QF Insurance shall contain (a) an endorsement providing coverage, including products liability/completed operations coverage for the term of this Contract, and (b) a broad form contractual liability endorsement covering liabilities (i) which might arise under, or in the performance or nonperformance of, this Contract and the Interconnection Agreement, or (ii) caused by operation of the Facility or any of the QF's equipment or by the QF's failure to maintain the Facility or the QF's equipment in satisfactory and safe operating condition. Effective at least fifteen (15) calendar days prior to the synchronization of the Facility with FPL's system, the QF Insurance shall be amended to include coverage for interruption or curtailment of power supply in accordance with industry standards. Without limiting the foregoing, the QF Insurance must be reasonably acceptable to FPL. Any premium assessment or deductible shall be for the account of the QF and not FPL.

(Continued on Sheet No. 9.856.1)

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(Continued from Sheet No. 9.856)

15.2 The QF Insurance shall have a minimum limit of one million Dollars ($1,000,000) per occurrence, combined single limit, for bodily injury (including death) or property damage.

15.3 In the event that such insurance becomes totally unavailable or procurement thereof becomes commercially impracticable, such unavailability shall not constitute an Event of Default under this Contract, but FPL and the QF shall enter into negotiations to develop substitute protection which the parties in their reasonable judgment, deem adequate.

15.4 To the extent that the QF Insurance is on a "claims made" basis, the retroactive date of the policy(ies) shall be the effective date of this Contract or such other date as may be agreed upon to protect the interests of the FPL Entities and the QF Entities. Furthermore, to the extent the QF Insurance is on a "claims made" basis, the QF's duty to provide insurance coverage shall survive the termination of this Contract until the expiration of the maximum statutory period of limitations in the State of Florida for actions based in contract or in tort. To the extent the QF Insurance is on an "occurrence" basis, such insurance shall be maintained in effect at all times by the QF during the term of this Contract.

15.5 The QF Insurance shall provide that it may not be cancelled or materially altered without at least thirty (30) calendar days' written notice to FPL. The QF shall provide FPL with a copy of any material communication or notice related to the QF Insurance within ten (10) business days of the QF's receipt or issuance thereof.

15.6 The QF shall be designated as the named insured and FPL shall be designated as an additional named insured under the QF Insurance. The QF Insurance shall be endorsed to be primary to any coverage maintained by FPL.

(Continued on Sheet No. 9.857)

(Continued from Sheet No. 9.856.1)

16. Force Majeure

Force Majeure is defined as an event or circumstance that is not reasonably foreseeable, is beyond the reasonable control of and is not caused by the negligence or lack of due diligence of the affected Party or its contractors or suppliers. Such events or circumstances may include, but are not limited to, actions or inactions of civil or military authority (including courts and governmental or administrative agencies), acts of God, war, riot or insurrection, blockades, embargoes, sabotage, epidemics, explosions and fires not originating in the Facility or caused by its operation, hurricanes, floods, strikes, lockouts or other labor disputes or difficulties (not caused by the failure of the affected party to comply with the terms of a collective bargaining agreement). Equipment breakdown or inability to use equipment caused by its design, construction, operation, maintenance or inability to meet regulatory standards, or otherwise caused by an event originating in the Facility, shall not be considered an event of Force Majeure, unless the QF can conclusively demonstrate, to the reasonable satisfaction of FPL, that the event was not reasonably foreseeable, was beyond the QF's reasonable control and was not caused by the negligence or lack of due diligence of the QF or its contractors or suppliers.

16.1 Except as otherwise provided in this Contract, each Party shall be excused from performance when its nonperformance was caused, directly or indirectly by an event of Force Majeure.

16.2 In the event of any delay or nonperformance resulting from an event of Force Majeure, the Party claiming Force Majeure shall notify the other Party in writing within five (5) business days of the occurrence of the event of Force Majeure, of the nature, cause, date of commencement thereof and the anticipated extent of such delay, and shall indicate whether any deadlines or date(s), imposed hereunder may be affected thereby. The suspension of performance shall be of no greater scope and of no greater duration than the cure for the Force Majeure requires. A Party claiming Force Majeure shall not be entitled to any relief therefor unless and until conforming notice is provided. The Party claiming Force Majeure shall notify the other Party of the cessation of the event of Force Majeure or of the conclusion of the affected Party's cure for the event of Force Majeure, in either case within two (2) business days thereof.

16.3 The Party claiming Force Majeure shall use its best efforts to cure the cause(s) preventing its performance of this Contract; provided, however, the settlement of strikes, lockouts and other labor disputes shall be entirely within the discretion of the affected Party, and such Party shall not be required to settle such strikes, lockouts or other labor disputes by acceding to demands which such Party deems to be unfavorable.

16.4 If the QF suffers an occurrence of an event of Force Majeure that reduces the generating capability of the Facility below the Committed Capacity, the QF may, upon notice to FPL, temporarily adjust the Committed Capacity as provided in Sections 16.5 and 16.6. Such adjustment shall be effective the first calendar day immediately following FPL's receipt of the notice or such later date as may be specified by the QF. Furthermore, such adjustment shall be the minimum amount necessitated by the event of Force Majeure.

16.5 If the Facility is rendered completely inoperative as a result of Force Majeure, the QF shall temporarily set the Committed Capacity equal to 0 kW until such time as the Facility can partially or fully operate at the Committed Capacity that existed prior to the Force Majeure. If the Committed Capacity is 0 kW, FPL shall have no obligation to make capacity payments hereunder.

16.6 If, at any time during the occurrence of an event of Force Majeure or during its cure, the Facility can partially or fully operate, then the QF shall temporarily set the Committed Capacity at the maximum capability that the Facility can reasonably be expected to operate.

16.7 Upon the cessation of the event of Force Majeure or the conclusion of the cure for the event of Force Majeure, the Committed Capacity shall be restored to the Committed Capacity that existed immediately prior to the Force Majeure. Notwithstanding any other provision of this Contract, upon such cessation or cure, FPL shall have the right to require a Committed Capacity Test to demonstrate the Facility's compliance with the requirements of this section 16.7. Any Committed Capacity Test required by FPL under this Section shall be additional to any Committed Capacity Test under Section 5.3.

16.8 During the occurrence of an event of Force Majeure and a reduction in Committed Capacity under Section 16.4, all Monthly Capacity Payments shall reflect, pro rata, the reduction in Committed Capacity, and the Monthly Capacity Payments will continue to be calculated in accordance with the pay-for-performance provisions in Appendix B.

(Continued on Sheet No. 9.857.1)

(Continued from Sheet No. 9.857)

16.9 The QF agrees to be responsible for and pay the costs necessary to reactivate the Facility and/or the interconnection with FPL's system if the same is (are) rendered inoperable due to actions of the QF, its agents, or Force Majeure events affecting the QF, the Facility or the interconnection with FPL. FPL agrees to reactivate, at its own cost, the interconnection with the Facility in circumstances where any interruptions to such interconnections are caused by FPL or its agents.

17. Representations,Warranties, and Covenants of QF

The QF represents and warrants that as of the Effective Date:

17.1 **Organization, Standing and Qualification**

The QF is a CORPORATION (corporation, partnership, or other, as applicable) duly organized and validly existing in good standing under the laws of DELAWARE and has all necessary power and authority to carry on its business as presently conducted, to own or hold under lease its properties and to enter into and perform its obligations under this Contract and all other related documents and agreements to which it is or shall be a Party. The QF is duly qualified or licensed to do business in the State of Florida and in all other jurisdictions wherein the nature of its business and operations or the character of the properties owned or leased by it makes such qualification or licensing necessary and where the failure to be so qualified or licensed would impair its ability to perform its obligations under this Contract or would result in a material liability to or would have a material adverse effect on FPL.

17.2 **Due Authorization, No Approvals, No Defaults, etc.**

Each of the execution, delivery and performance by the QF of this Contract has been duly authorized by all necessary action on the part of the QF, does not require any approval, except as has been heretofore obtained, of the BOARD OF DIRECTORS (shareholders, partners, or others, as applicable) of the QF or any consent of or approval from any trustee, lessor or holder of any indebtedness or other obligation of the QF, except for such as have been duly obtained, and does not contravene or constitute a default under any law, the ARTICLES OF INCORPORATION articles of incorporation, bylaws, or other as applicable) of the QF, or any agreement, judgment, injunction, order, decree or other instrument binding upon the QF, or subject the Facility or any component part thereof to any lien other than as contemplated or permitted by this Contract.

17.3 **Compliance with Laws**

The QF has knowledge of all laws and business practices that must be followed in performing its obligations under this Contract. The QF is in compliance with all laws, except to the extent that failure to comply therewith would not, in the aggregate, have a material adverse effect on the QF or FPL.

17.4 **Governmental Approvals**

Except as expressly contemplated herein, neither the execution and delivery by the QF of this Contract, nor the consummation by the QF of any of the transactions contemplated thereby, requires the consent or approval of, the giving of notice to, the registration with, the recording or filing of any document with, or the taking of any other action in respect of governmental authority, except in respect of permits (a) which have already been obtained and are in full force and effect or (b) are not yet required (and with respect to which the QF has no reason to believe that the same will not be readily obtainable in the ordinary course of business upon due application therefor).

17.5 **No Suits, Proceedings**

There are no actions, suits, proceedings or investigations pending or, to the knowledge of the QF, threatened against it at law or in equity before any court or tribunal of the United States or any other jurisdiction which individually or in the aggregate could result in any materially adverse effect on the QF's business, properties, or assets or its condition, financial or otherwise, or in any impairment of its ability to perform its obligations under this Contract. The QF has no knowledge of a violation or default with respect to any law which could result in any such materially adverse effect or impairment.

(Continued on Sheet No. 9.857.2)

(Continued From Sheet No. 9.857.1)

17.6 **Environmental Matters**

To the best of its knowledge after diligent inquiry, the QF knows of no (a) existing violations of any environmental laws at the Facility, including those governing hazardous materials or (b) pending, ongoing, or unresolved administrative or enforcement investigations, compliance orders, claims, demands, actions, or other litigation brought by governmental authorities or other third parties alleging violations of any environmental law or permit which would materially and adversely affect the operation of the Facility as contemplated by this Contract.

18. Regulatory Disallowance

This Section has been left intentionally blank

19. General Provisions

19.1 **Project Viability**

To assist FPL in assessing the QF's financial and technical viability, the QF shall provide the information and documents requested in Appendix D or substantially similar documents, to the extent the documents apply to the type of Facility covered by this Contract, and to the extent the documents are available. All documents to be considered by FPL must be submitted at the time this Contract is presented to FPL. Failure to provide the following such documents may result in a determination of non-viability by FPL.

19.2 **Permits**

The QF hereby agrees to obtain and maintain any and all permits, certifications, licenses, consents or approvals of any governmental authority which the QF is required to obtain as a prerequisite to engaging in the activities specified in this Contract.

(Continued on Sheet No. 9.858)

(Continued from Sheet No. 9.857.2)

19.3 **Project Management**

19.3.1 If requested by FPL, the QF shall submit to FPL its integrated project schedule for FPL's review within thirty calendar days from the execution of this Contract, and a start-up and test schedule for the Facility at least thirty calendar days prior to start-up and testing of the Facility. These schedules shall identify key licensing, permitting, construction and operating milestone dates and activities. If requested by FPL, the QF shall submit progress reports in a form satisfactory to FPL every calendar month until the Capacity Delivery Date and shall notify FPL of any changes in such schedules within ten calendar days after such changes are determined. FPL shall have the right to monitor the construction, start-up and testing of the Facility, either on-site or off-site. FPL's technical review and inspections of the Facility and resulting requests, if any, shall not be construed as endorsing the design thereof or as any warranty as to the safety, durability or reliability of the Facility.

19.3.2 The QF shall provide FPL with the final designer's/manufacturer's generator capability curves, protective relay types, proposed protective relay settings, main one-line diagrams, protective relay functional diagrams, and alternating current and direct current elementary diagrams for review and inspection at FPL.

19.4 **Assignment**

The QF may not assign this Contract, without FPL's prior written approval, which approval may be withheld in FPL's sole discretion.

19.5 **Disclaimer**

In executing this Contract, FPL does not, nor should it be construed, to extend its credit or financial support for the benefit of any third parties lending money to or having other transactions with the QF or any assignee of this Contract.

19.6 **Notification**

All formal notices relating to this Contract shall be deemed duly given when delivered in person, or sent by registered or certified mail, or sent by fax if followed immediately with a copy sent by registered or certified mail, to the individuals designated below. The Parties designate the following individuals to be notified or to whom payment shall be sent until such time as either Party furnishes the other Party written instructions to contact another individual:

For the QF:

Michael T. Bakas
Vice President - Ameresco
111 Speen Street
Suite 410
Framingham, MA 01701

For FPL:

Florida Power & Light Company
Manager,
Wholesale Services
P. O. Box 029100
Miami, FL 33102

This signed Contract and all related documents may be presented no earlier than 8:00 a.m. on the effective date of the Standard Offer Contract, as determined by the FPSC. Contracts and related documents may be mailed to the address below or delivered during normal business hours (8:00 a.m. to 4:45 p.m.) to the visitors' entrance at the address below:

Florida Power & Light Company
9250 West Flagler Street
Miami, FL 33174

Attention: Manager, Wholesale Services
Resource Assessment and Planning Department

(Continued on Sheet No. 9.859)

(Continued from Sheet No. 9.858)

19.7 **Applicable Law**

This Contract shall be construed in accordance with and governed by, and the rights of the parties shall be construed in accordance with, the laws of the State of Florida, without regard to conflict of law rules thereof.

19.8 **Taxation**

In the event that FPL becomes liable for additional taxes, including interest and/or penalties arising from an Internal Revenue Services determination, through audit, ruling or other authority, that FPL's payments to the QF for capacity under Options B, C, or D are not fully deductible when paid (additional tax liability), FPL may bill the QF monthly for the costs, including carrying charges, interest and/or penalties, associated with the fact that all or a portion of these capacity payments are not currently deductible for federal and/or state income tax purposes. FPL, at its option, may offset these costs against amounts due the QF hereunder. These costs would be calculated so as to place FPL in the same economic position in which it would have been if the entire-capacity payments had been deductible in the period in which the payments were made. If FPL decides to appeal the Internal Revenue Service's determination, the decision as to whether the appeal should be made through the administrative or judicial process or both, and all subsequent decisions pertaining to the appeal (both substantive and procedural), shall rest exclusively with FPL.

19.9 **Severability**

If any part of this Contract, for any reason, is declared invalid, or unenforceable by a public authority of appropriate jurisdiction, then such decision shall not affect the validity of the remainder of the Contract, which remainder shall remain in force and effect as if this Contract had been executed without the invalid or unenforceable portion.

19.10 **Complete Agreement and Amendments**

All previous communications or agreements between the Parties, whether verbal or written, with reference to the subject matter of this Contract are hereby abrogated. No amendment or modification to this Contract shall be binding unless it shall be set forth in writing and duly executed by both Parties. This Contract constitutes the entire agreement between the Parties.

19.11 **Survival of Contract**

This Contract, as it may be amended from time to time, shall be binding upon, and inure to the benefit of, the Parties' respective successors-in-interest and legal representatives.

19.12 **Record Retention**

The QF agrees to retain for a period of five (5) years from the date of termination hereof all records relating to the performance of its obligations hereunder, and to cause all QF Entities to retain for the same period all such records.

19.13 **No Waiver**

No waiver of any of the terms and conditions of this Contract shall be effective unless in writing and signed by the Party against whom such waiver is sought to be enforced. Any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given. The failure of a Party to insist, in any instance, on the strict performance of any of the terms and conditions hereof shall not be construed as a waiver of such Party's right in the future to insist on such strict performance.

(Continued on Sheet No. 9.859.1)

(Continued from Sheet No. 9.859)

19.14 **Set-Off**

FPL may at any time, but shall be under no obligation to, set off any and all sums due from the QF against sums due to the QF hereunder.

IN WITNESS WHEREOF, the QF and FPL executed this Contract this _____ day of _____, _____.

WITNESS:

_____

WITNESS:

K A Sullivan

FLORIDA POWER & LIGHT COMPANY

_____

Date _____

Ameresco Medley, Inc. (QF)

Michael O. Bakas

Date January 25, 2002

RATE SCHEDULE COG-2
APPENDIX A
TO THE STANDARD OFFER CONTRACT
STANDARD RATE FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM A SMALL POWER PRODUCER OR OTHER QUALIFYING FACILITY
USING RENEWABLE OR NON-FOSSIL FUEL, A QUALIFYING FACILITY
WITH A DESIGN CAPACITY OF 100 KW OR LESS OR SOLID WASTE FACILITIES

SCHEDULE

COG-2, Firm Capacity and Energy

AVAILABLE

The Company will, under the provisions of this Schedule and the Company's "Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Small Power Producer or Other Qualifying Facility using renewable or non-fossil fuel, a Qualifying Facility with a design capacity of 100 kw or less, or a Solid Waste Facility" ("Standard Offer Contract"), purchase firm capacity and energy offered by a Qualifying Facility specified in FPSC Rule 25-17.0832 (4), and which is either directly or indirectly interconnected with the Company. The Company's obligation to contract to purchase firm capacity from such QFs by means of this schedule and the Standard Offer Contract will continue only as long as, and to the extent that, the 5 MW subscription limit is not exceeded and, in any event, no later than the expiration of the two (2) week Open Solicitation Period. The Open Solicitation Period shall be defined as the ten (10) successive business days commencing on the final effective date of this Standard Offer Contract, as approved by the FPSC, and ending on the tenth business day at the close of business, 5PM Eastern Prevailing Time (EPT).

APPLICABLE

To Qualifying Facilities as specified in FPSC Rule 25-17.0832 (4) producing capacity and energy for sale to the Company on a firm basis pursuant to the terms and conditions of this schedule and the Company's "Standard Offer Contract". Firm Capacity and Energy are described by FPSC Rule 25-17.0832, F.A.C., and are capacity and energy produced and sold by a QF pursuant to the Standard Offer Contract provisions addressing (among other things) quantity, time and reliability of delivery.

CHARACTER OF SERVICE

Purchases within the territory served by the Company shall be, at the option of the Company, single or three phase, 60 hertz alternating current at any available standard Company voltage. Purchases from outside the territory served by the Company shall be three phase, 60 hertz alternating current at the voltage level available at the interchange point between the Company and the entity delivering the Firm Energy and Capacity from the QF.

LIMITATION

Purchases under this schedule are subject to FPSC Rules 25-17.082 through 25-17.091, F.A.C., and are limited to those Qualifying Facilities which:

A. Are specified in FPSC Rule 25-17.0832 (4)

B. Execute a Standard Offer Contract prior to the expiration of the 2-week Open Solicitation Period.

C. Commit to commence deliveries of firm capacity and energy no later than January 1, 2003, and to continue such deliveries through December 31, 2007;

D. Provide capacity which would not result in the capacity subscription limit for the Company on capacity (5 MW) to be exceeded; and

E. Are not currently under contract with the Company or with any other entity for the Facility's output.

RATES FOR PURCHASES BY THE COMPANY

Firm Capacity and Energy are purchased at a unit cost, in dollars per kilowatt per month and cents per kilowatt-hour, respectively, based on the value of deferring additional capacity required by the Company. For the purpose of this Schedule, an Avoided Unit has been designated by the Company. The Company's next Avoided Unit has been identified as a 5 MW portion of a 165 MW combustion turbine with an in-service date of January 1, 2003. Appendix I to this Schedule describes the methodology used to calculate payment schedules, general terms, and conditions applicable to the Company's Standard Offer Contract filed and approved pursuant to FPSC Rules 25-17.082 through 25-17.091, F.A.C.

(Continued on Sheet No. 10.201)

(Continued from Sheet No. 10.200)

A. Firm Capacity Rates

Four options, A through D, as set forth below, are available for payment of firm capacity which is produced by a QF and delivered to the Company. Once selected, an option shall remain in effect for the term of the Standard Offer Contract with the Company. Exemplary payment schedules, shown below, contain the monthly rate per kilowatt of Firm Capacity which the QF has contractually committed to deliver to the Company and are based on a contract term which extends five (5) years beyond the anticipated in-service date of the Company's Avoided Unit (i.e., through December 31, 2007). Payment schedules for other contract terms will be made available to any QF upon request and may be calculated based on the methodologies described in Appendix I. The currently approved parameters used to calculate the following schedule of payments are found in Appendix II to this Schedule.

Adjustment to Capacity Payment

The firm capacity rates will be adjusted to reflect the impact that the location of the QF will have on FPL system reliability due to constraints imposed on the operation of FPL transmission tielines.

Appendix III shows, for illustration purposes, the factors that would be used to adjust the firm capacity rate for different geographical areas. The actual adjustment would be determined on a case-by-case basis. The amount of such adjustment, as well as a binding contract rate for firm capacity, shall be provided to the QF within sixty days of FPL execution of the signed Standard Offer Contract.

Option A - Fixed Value of Deferral Payments - Normal Capacity

Payment schedules under this option are based on the value of a year-by-year deferral of the Company's Avoided Unit with an in-service date of January 1, 2003, calculated in accordance with FPSC Rule 25-17.0832 F.A.C., as described in Appendix I. Once this option is selected, the current schedule of payments shall remain fixed and in effect throughout the term of the Standard Offer Contract.

Option B - Fixed Value of Deferral Payments - Early Capacity

Payment schedules under this option are based upon the early capital cost component of the value of a year-by-year deferral of the Company's Avoided Unit. These payments can start as early as one year prior to the anticipated in-service date of the Company's Avoided Unit; provided, however, that under no circumstances may payments begin before the QF is delivering firm capacity and energy to the Company pursuant to the terms of the Standard Offer Contract. When this option is selected, the capacity payments shall be made monthly commencing no earlier than the Capacity Delivery Date of the QF and calculated as shown on Appendix I.

The QF shall select the month and year in which the deliveries of firm capacity and energy to the Company are to commence and capacity payments are to start. The Company will provide the QF with a schedule of capacity payment rates based on the month and year in which the deliveries of firm capacity and energy are to commence and the term of the Standard Offer Contract. The following exemplary payment schedule is based on a contract term which extends five (5) years beyond the anticipated in-service date of the Company's Avoided Unit.

(Continued on Sheet No. 10.202)

(Continued from Sheet No. 10.201)

EXAMPLE MONTHLY CAPACITY PAYMENT IN $/kW/MONTH
COMPANY'S 2003 COMBUSTION TURBINE AVOIDED UNIT (5 MW)
STANDARD OFFER CONTRACT AVOIDED CAPACITY PAYMENTS
($/kW/MONTH)

	Option A	
	Normal Payment	Option B
Contract Year	Starting 01/01/2003	Fixed Value of Deferral Payments - Early Capacity 01/01/2003
2001	$0.00	-0-
2002	-0-	2.69
2003	3.37	2.75
2004	3.47	2.81
2005	3.55	2.87
2006	3.62	2.94
2007	3.70	3.00

Option C - Fixed Value of Deferral Payment - Levelized Capacity

Payment schedules under this option are based upon the levelized capital cost component of the value of a year-by-year deferral of the Company's Avoided Unit. The capital portion of capacity payments under this option shall consist of equal monthly payments over the term of the Standard Offer Contract, calculated as shown on Appendix I. The fixed operation and maintenance portion of capacity payments shall be equal to the value of the year-by-year deferral of fixed operation and maintenance expense associated with the Company's Avoided Unit. These calculations are shown in Appendix I.

Option D - Fixed Value of Deferral Payment - Early Levelized Capacity

Payment schedules under this option are based upon the early levelized capital cost component of the value of a year-by-year deferral of the Company's Avoided Unit. The capital portion of capacity payments under this option shall consist of equal monthly payments over the term of the Standard Offer Contract, calculated as shown on Appendix I. The fixed operation and maintenance expense shall be calculated as shown in Appendix I. At the option of the QF, payments for early levelized capacity shall commence at any time after the specified early capacity date and before the anticipated in-service date of the Company's Avoided Unit, provided that the QF is delivering firm capacity and energy to the Company pursuant to the terms of the Standard Offer Contract.

(Continued on Sheet No. 10.203)

(Continued from Sheet No. 10.202)

EXAMPLE MONTHLY CAPACITY PAYMENT IN $kW/MONTH
2003 COMBUSTION TURBINE AVOIDED UNIT (5 MW) LEVELIZED CAPITAL
AVOIDED CAPACITY PAYMENTS
($/kW/MONTH)

Contract Year	Option C Levelized Payment Starting 01/01/ 2003	Option D (Early O&M) Fixed Value of Deferral Payments - Early Levelized Capacity 01/01/2003
2001	0.00	-0-
2002	-0-	2.83
2003	3.53	2.83
2004	3.53	2.83
2005	3.54	2.83
2006	3.54	2.84
2007	3.54	2.84

B. Energy Rates

(1) Payments Prior to January 1, 2003

The energy rate, in cents per kilowatt-hour (¢/kWh), shall be based on the Company's actual hourly avoided energy costs which are calculated by the Company in accordance with FPSC Rule 25-17.0825, F.A.C. Avoided energy costs include incremental fuel, identifiable operation and maintenance expenses, and an adjustment for line losses reflecting delivery voltage. The calculation of the Company's avoided energy costs reflects the delivery of energy from the region of the Company in which the QF is located. Energy payments to the QFs located outside the Company's service area shall reflect the region in which the interchange point for the delivery of energy is located. When economy transactions take place, the incremental costs are calculated as described in FPL's Rate Schedule COG-

The calculation of payments to the QF shall be based on the sum, over all hours of the billing period, of the product of each hour's avoided energy cost times the purchases by the Company for that hour. All purchases shall be adjusted for losses from the point of metering to the point of interconnection.

(Continued on Sheet No. 10.204)

(Continued from Sheet No 10.203)

(2) Payments Starting on January 1, 2003

The calculation of payments to the QF for energy delivered to FPL on and after January 1, 2003 shall be the sum, over all hours of the Monthly Billing Period, of the product of (a) each hour's firm energy rate (¢/kWh); and (b) the amount of energy (kWhs) delivered to FPL from the Facility during that hour.

For any Dispatch Hour the firm energy rate shall be, on an hour-by-hour basis, the Company's Avoided Unit Energy Cost. For any other period during which energy is delivered by the QF to FPL, the firm energy rate in cents per kilowatt hour (¢/kWh) shall be the following on an hour-by-hour basis: the lesser of (a) the as-available energy rate calculated by FPL in accordance with FPSC Rule 25-17.0825, FAC, and FPL's Rate Schedule COG-1, as they may each be amended from time to time and (b) the Company's Avoided Unit Energy Cost. The Company's Avoided Unit Energy Cost, in cents per kilowatt-hour (¢/kWh) shall be defined as the product of: (a) the average monthly fuel price in $/mmBTU as determined from gas prices reported in Gas Daily under the heading "Citygate, Pooling Point Prices, Florida gates via FGT"; and (b) an average annual heat rate of 10,430 BTU per kilowatt hour; plus (c) an additional .086¢ per kilowatt hour in mid 2000 dollars for variable operation and maintenance expenses which will be escalated based on the actual Consumer Price Index. All purchases shall be adjusted for losses from the point of metering to the point of interconnection. The calculation of the Company's avoided energy cost reflects the delivery of energy from the geographical area of the Company in which the QF is located. Energy payments to QFs located outside the Company's service territory reflect the region in which the interchange point for the delivery of energy is located.

ESTIMATED AS-AVAILABLE ENERGY COST

For informational purposes only, the estimated incremental avoided energy costs for the next four semi-annual periods are as follows. In addition, avoided energy cost payments will include .0014¢/kWh for variable operation and maintenance expenses.

Applicable Period	On-Peak ¢/KWH	Off-Peak ¢/KWH	Average ¢/KWH
April 1, 2002 – September 30, 2002	4.58	3.55	3.86
October 1, 2002 – March 31, 2003	3.25	2.94	3.04
April 1, 2003 – September 30, 2003	3.99	3.22	3.45
October 1, 2003 – December 31, 2003	3.72	3.24	3.39

A MW block size ranging from 2 MW to 9 MW has been used to calculate the estimated As-Available energy cost.

ESTIMATED UNIT FUEL COST

The estimated unit fuel costs listed below are associated with the Company's Avoided Unit and are based on current estimates of the price of natural gas.

$/MMBTU

2001	2002	2003	2004	2005	2006	2007
4.73	3.82	3.85	3.91	3.96	4.02	4.07

DELIVERY VOLTAGE ADJUSTMENT

Energy payments to the QFs within the Company's service territory shall be adjusted according to the delivery voltage by the following multipliers:

Delivery Voltage	Adjustment Factor
Transmission Voltage Delivery	1.0000
Primary Voltage Delivery	1.0236
Secondary Voltage Delivery	1.0523

(Continued on Sheet No. 10.205)

(Continued from Sheet No. 10.204)

PERFORMANCE CRITERIA

Payments for Firm Capacity are conditioned on the QF's ability to maintain the following performance criteria:

A. Capacity Delivery Date

The Capacity Delivery Date shall be no later than the projected in-service date of the Company's Avoided Unit (i.e., January 1, 2003.)

B. Availability and Capacity Factor

The Facility's availability and capacity factor are used in the determination of firm capacity payments through a performance based calculation as detailed in Appendix B to the Company's Standard Offer Contract.

METERING REQUIREMENTS

The QFs within the territory served by the Company shall be required to purchase from the Company hourly recording meters to measure their energy deliveries to the Company. Energy purchases from the QFs outside the territory of the Company shall be measured as the quantities scheduled for interchange to the Company by the entity delivering Firm Capacity and Energy to the Company.

For the purpose of this Schedule, the on-peak hours shall be those hours occurring April 1 through October 31, from noon to 9:00 p.m., and November 1 through March 31, from 6:00 a.m. to 10:00 a.m. and 6:00 p.m. to 10:00 p.m. prevailing Eastern time. FPL shall have the right to change such On-Peak Hours by providing the QF a minimum of thirty calendar days' advance written notice.

BILLING OPTIONS

A QF, upon entering into a Standard Offer Contract for the sale of firm capacity and energy or prior to delivery of as-available energy, may elect to make either simultaneous purchases from and sales to the Company, or net sales to the Company; provided, however, that no such arrangement shall cause the QF to sell more than the Facility's net output. A decision on billing methods may only be changed: 1) when a QF selling as-available energy enters into a Standard Offer Contract for the sale of firm capacity and energy; 2) when a Standard Offer Contract expires or is lawfully terminated by either the QF or the Company; 3) when the QF is selling as-available energy and has not changed billing methods within the last twelve months; 4) when the election to change billing methods will not contravene the provisions of Rule 25-17.0832 or a contract between the QF and the Company.

If a QF elects to change billing methods, such changes shall be subject to the following: 1) upon at least thirty days advance written notice to the Company; 2) the installation by the Company of any additional metering equipment reasonably required to effect the change in billing and upon payment by the QF for such metering equipment and its installation; and 3) upon completion and approval by the Company of any alteration(s) to the interconnection reasonably required to effect the change in billing and upon payment by the QF for such alteration(s).

Payments due a QF will be made monthly, and normally by the twentieth business day following the end of the billing period. The kilowatt-hours sold by the QF and the applicable avoided energy rates at which payments are being made shall accompany the payment to the QF.

A statement covering the charges and payments due the QF is rendered monthly, and payment normally is made by the twentieth business day following the end of the billing period.

CHARGES TO QUALIFYING FACILITY

The QF shall be responsible for all applicable charges as currently approved or as they may be approved by the Florida Public Service Commission, including, but not limited to:

A. Customer Charges:

Rate Schedule	Customer Charge($)	Rate Schedule	Customer Charge($)
GS-1	9.00	CST-1	110.00
GST-1	12.30	GSLD-2	170.00
GSD-1	35.00	GSLDT-2	170.00
GSDT-1	41.50	CS-2	170.00
RS-1	5.65	CST-2	170.00
RST-1	8.95	GSLD-3	400.00
GSLD-1	41.00	CS-3	400.00
GSLDT-1	41.00	CST-3	400.00
CS-1	110.00	GSLDT-3	400.00

(Continued on Sheet No. 10.206)

(Continued from Sheet No. 10.205)

B. Interconnection Charge for Non-Variable Utility Expenses

The QF shall bear the cost required for interconnection, including the metering. The QF shall have the option of (i) payment in full for the interconnection costs including the time value of money during the construction of the interconnection facilities and providing a surety bond, letter of credit or comparable assurance of payment acceptable to the Company adequate to cover the interconnection cost estimates, (ii) payment of monthly invoices from the Company for actual costs progressively incurred by the Company in installing the interconnection facilities, or (iii) upon a showing of credit worthiness, making equal monthly installment payments over a period no longer than twelve (12) months toward the full cost of interconnection. In the latter case, the Company shall assess interest at the rate then prevailing for thirty (30) day highest grade commercial paper, such rate to be specified by the Company thirty (30) days prior to the date of each installment payment by the QF.

C. Interconnection Charge for Variable Utility Expenses

The QF shall be billed monthly for the variable utility expenses associated with the operation and maintenance of the interconnection facilities. These include (a) the Company's inspections of the interconnection facilities and (b) maintenance of any equipment beyond that which would be required to provide normal electric service to the QF if no sales to the Company were involved.

In lieu of payment for actual charges, the QF may pay a monthly charge equal to a percentage of the installed cost of the interconnection facilities. The applicable percentages are as follows:

Equipment Type	Charge
Metering Equipment	0.230%
Distribution Equipment	0.309%
Transmission Equipment	0.110%

D. Taxes and Assessments

In the event that FPL becomes liable for additional taxes, including interest and/or penalties arising from an Internal Revenue Service's determination, through audit, ruling or other authority, that FPL's payments to the QF for capacity under options B, C, or D are not fully deductible when paid (additional tax liability), FPL may bill the QF monthly for the costs, including carrying charges, interest and/or penalties, associated with the fact that all or a portion of these capacity payments are not currently deductible for federal and/or state income tax purposes. FPL, at its option, may offset these costs against amounts due the QF hereunder. These costs would be calculated so as to place FPL in the same economic position in which it would have been if the entire early, levelized or early levelized capacity payments had been deductible in the period in which the payments were made. If FPL decides to appeal the Internal Revenue Service's determination, the decision as to whether the appeal should be made through the administrative or judicial process or both, and all subsequent decisions pertaining to the appeal (both substantive and procedural), shall rest exclusively with FPL.

TERMS OF SERVICE

(1) It shall be the QF's responsibility to inform the Company of any change in its electric generation capability.

(2) Any electric service delivered by the Company to a QF located in the Company's service area shall be subject to the following terms and conditions:

(a) A QF shall be metered separately and billed under the applicable retail rate schedule(s), whose terms and conditions shall pertain.

(b) A security deposit will be required in accordance with FPSC Rules 25-17.082(5) and 25-6.097, F.A.C., and the following:

(i) In the first year of operation, the security deposit should be based upon the singular month in which the QF's projected purchases from the Company exceed, by the greatest amount, the Company's estimated purchases from the QF. The security deposit should be equal to twice the amount of the difference estimated for that month. The deposit is required upon interconnection.

(ii) For each year thereafter, a review of the actual sales and purchases between the QF and the Company will be conducted to determine the actual month of maximum difference. The security deposit should be adjusted to equal twice the greatest amount by which the actual monthly purchases by the QF exceed the actual sales to the Company in that month.

(Continued on Sheet No. 10.207)

(Continued from Sheet No. 10.206)

(c) The Company shall specify the point of interconnection and voltage level.

(d) The QF must enter into an interconnection agreement with theCompany which will, among other things, specify safety and reliability standards for the interconnection to the Company's system. In most instances, the Company's filed Interconnection Agreement for Qualifying Facilities will be used; however, special features of the QF or its interconnection to the Company's facilities may require modifications to this Interconnection Agreement or the safety and reliability standards contained therein.

(3) Service under this rate schedule is subject to the rules and regulations of the Company and the Florida Public Service Comission.

SPECIAL PROVISIONS

(1) Special contracts deviating from the above standard rate schedule are allowable provided the Company agrees to them anthey are approved by the Florida Public Service Commission.

(Continued on Sheet No. 10.208)

APPENDIX I
TO RATE SCHEDULE COG-2

CALCULATION OF VALUE OF DEFERRAL PAYMENTS

APPLICABILITY

Appendix I provides a detailed description of the methodology used by the Company to calculate the monthly values of deferring or avoiding the Company's Avoided Unit identified in Schedule COG-2. When used in conjunction with the current FPSC-approved cost parameters associated with the Company's Avoided Unit contained in Appendix II, a QF may determine the applicable value of deferral capacity payment rate associated with the timing and operation of its particular facility should the QF enter into a Standard Offer Contract with the Company.

Also contained in Appendix I is the discussion of the types and forms of surety bond requirements or equivalent assurance for payment of the Termination Fee acceptable to the Company in the event of contractual default by a QF.

CALCULATION OF VALUE OF DEFERRAL OPTION A

FPSC Rule 25-17.0832(5) specifies that avoided capacity costs, in dollars per kilowatt per month, associated with capacity sold to a utility by a QF pursuant to the Company's Standard Offer Contract shall be defined asthe year-by-year value of deferral of the Company's Avoided Unit. The year-by-year value of deferral shall be the difference in revenue requirements associated with deferring the Company's Avoided Unit one year, and shall be calculated as follows:

$$VAC_m = \frac{1}{12}\left[KI_n \frac{(1-R)/(1-R^{L})}{} + O_n\right]$$

Where, for a one year deferral:

VAC_m = utility's monthly value of avoided capacityand O & M, in dollars per kilowatt per month, for each month of year n;

K = present value of carrying charges for one dollar of investment over L years with carrying charges computed using average annual rate base and assumed to be paid at the middle of each year and present valued to the middle of the first year;

R = (1 + ip) / (1 +r);

I_n = total direct and indirect cost, in mid-year dollars per kilowatt including AFUDC but excluding CWIP, of the Company's Avoided Unit with an in-service date of year n, including all identifiable and quantifiable costs relating to the construction of the Company's Avoided Unit which would have been paid had the Unit been constructed;

O_n = total fixed operation and maintenance expense for the year n, in mid-year dollars per kilowatt per year, of the Company's Avoided Unit;

i_p = annual escalation rate associated with the plant cost of the Company's Avoided Unit(s);

(Continued on Sheet No. 10.209)

(Continued from Sheet No. 10.208)

i_o = annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit(s);

r = annual discount rate, defined as the utility's incremental after-tax cost of capital;

L = expected life of the Company's Avoided Unit(s); and

n = year for which the Company's Avoided Unit(s) is (are) deferred starting with its (their) original anticipated in-service date(s) and ending with the termination of the Company's Standard Offer Contract.

CALCULATION OF FIXED VALUE OF DEFERRAL PAYMENTS - EARLY CAPACITY–OPTION B

Normally, payments for firm capacity shall not commence until the in-service date of the Company's Avoided Unit(s). At the option of the QF, however, the Company may begin making payments for early capacity consisting of the capital cost component of the value of a year-by-year deferral of the Company's Avoided Unit starting as early as one year prior to the anticipated in-service date of the Company's Avoided Unit. When such payments for early capacity are elected, the avoided capital cost component of capacity payments shall be paid monthly commencing no earlier than the Capacity Delivery Date of the QF, and shall be calculated as follows:

$$A_m = A_c \frac{(1+ip)^{(m-1)}}{12} + A_o \frac{(1+io)^{(m-1)}}{12} \quad \underline{for\ m = 1\ to\ t}$$

Where:

A_m = monthly payments to be made to the QF for each month of the contract year n, in dollars per kilowatt per month in which QF delivers capacity pursuant to the early capacity option;

i_p = annual escalation rate associated with the plant cost of the Company's Avoided Unit(s);

i_o = annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit(s);

m = year for which the fixed value of deferral payments under the early capacity option are made to a QF, starting in year one and ending in the year t;

t = the term, in years, of the Standard Offer Contract;

$$A_c = F\ [\ \underline{(1 - R)/(1 - R')}\ ]$$

(Continued on Sheet No. 10.210)

(Continued from Sheet No. 10.209)

Where:

F = the cumulative present value, in the year that the contractual payments will begin, of the avoided capital cost component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit(s);

R = (1 + ip) / (1 + r)

r = annual discount rate, defined as the Company's incremental after-tax cost of capital; and

$$A_o = G\ [\ (1-R)/(1-R^{\ t})\ ]$$

Where:

G = The cumulative present value, in the year that the contractual payments will begin, of the avoided fixed operation and maintenance expense component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit(s).

R = (1 + io) / (1 + r)

The currently approved parameters applicable to the formulas above are found in Appendix II.

CALCULATION OF FIXED VALUE OF DEFERRAL PAYMENTS - LEVELIZED AND EARLY LEVELIZED CAPACITY - OPTION C & OPTION D , RESPECTIVELY

Monthly fixed value of deferral payments for levelized and early levelized capacity shall be calculated as follows:

$$P_L = \frac{F}{12} \ x \ \frac{r}{1-(1+r)^{-t}} \ + \ O$$

Where:

P_L = the monthly levelized capacity payment, starting on or prior to the in-service date of the Company's Avoided Unit(s);

F = the cumulative present value, in the year that the contractual payments will begin, of the avoided capital cost component of the capacity payments which would have been made had the capacity payments not been levelized;

r = the annual discount rate, defined as the Company's incremental after-tax cost of capital;

t = the term, in years, of the Standard Offer Contract;

O = the monthly fixed operation and maintenance component of the capacity payments, calculated in accordance with calculation of the fixed value of deferral payments for the levelized capacity or the early levelized capacity options.

(Continued on Sheet No. 10.211)

(Continued from Sheet No. 10.210)

RISK-RELATED GUARANTEES

With the exception of governmental solid waste facilities covered by FPSC Rule 25-17.091, FPSC Rule 25-17.0832 paragraph (4)(e)10, F.A.C., require that, when fixed value of deferral payments - early capacity, levelized capacity, or early levelized capacity are elected, the QF must provide a surety bond or equivalent assurance of securing the payment of a Termination Fee in the event the QF is unable to meet the terms and conditions of its Standard Offer Contract. Depending on the nature of the QF's operation, financial health and solvency, and its ability to meet the terms and conditions of the Company's Standard Offer Contract, one of the following may constitute an equivalent assurance of payment:

(1) Bond;
(2) Cash deposit(s) with FPL ;
(3) Unconditional, irrevocable, direct pay letter of credit;
(4) Unsecured promise by a municipal, county or state government to repay payments for early or levelized capacity in the event of default, in conjunction with a legally binding commitment from such government allowing the utility to levy a surcharge on either the electric bills of the government's electricity consuming facilities or the constituent electric customers of such government to assure that payments for early or levelized capacity are repaid;
(5) Unsecured promise by a privately-owned QF to repay payments for early or levelized capacity in the event of default, in conjunction with a legally binding commitment from the owner(s) of the QF, parent company, and/or subsidiary companies allowing the Company to levy a surcharge on the electric bills of the owner(s), parent company, and/or subsidiary companies located in Florida to assure that payments for early, levelized or early levelized capacity are repaid; or
(6) Other guarantee acceptable to the Company.

The Company will cooperate with each QF applying for fixed value of deferral payments under the early, levelized or early levelized capacity options to determine the exact form of an "equivalent assurance" for payment of the Termination Fee to be required based on the particular aspects of the QF. The Company will endeavor to accommodate an equivalent assurance of repayment which is in the best interests of both the QF and the Company's ratepayers.

APPENDIX II
TO RATE SCHEDULE COG-2
CAPACITY OPTION PARAMETERS

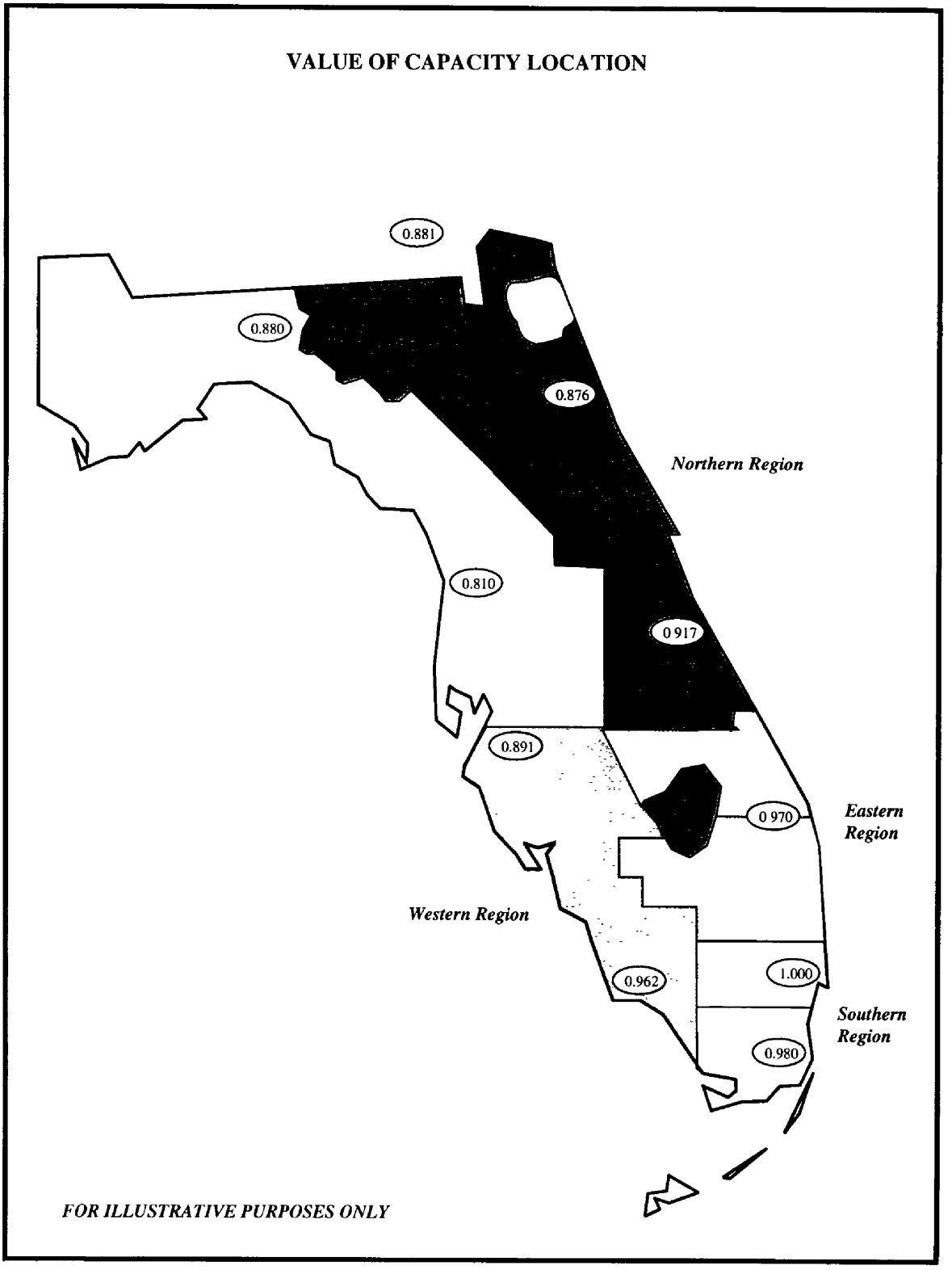
FIXED VALUE OF DEFERRAL PAYMENTS - NORMAL CAPACITY OPTION PARAMETERS

Where, for a one year deferral:			Value
VAC_m	=	Company's value of avoided capacity and O&M, in dollars per kilowatt per month, during month m;	$3.28
K	=	present value of carrying charges for one dollar of investment over L years with carrying charges computed using average annual rate base and assumed to be paid at the middle of each year and present valued to the middle of the first year;	1.5932
I_n	=	total direct and indirect cost, in mid-year dollars per kilowatt including AFUDC but excluding CWIP, of the Company's Avoided Unit with an in-service date of yearn;	$379.93
O_n	=	total fixed operation and maintenance expense, for the year n, in mid-year dollars per kilowatt per year, of the Company's Avoided Unit;	$1.43
i_p	=	annual escalation rate associated with the plant cost of the Company's Avoided Unit;	2.2%
i_o	=	annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit;	2.4%
r	=	annual discount rate, defined as the Company's incremental after-tax cost of capital;	7.78%
L	=	expected life of the Company's Avoided Unit;	30
n	=	year for which the Company's Avoided Unit is deferred starting with its original anticipated in-service date and ending with the termination of the Standard Offer Contract.	2003

FIXED VALUE OF DEFERRAL PAYMENTS - EARLY CAPACITY OPTION PARAMETERS

A_m	=	monthly capacity payments to be made to the QF starting as early as one year prior to the anticipated in-service date of Company's Avoided Unit, in dollars per kilowatt per month;	$2.60
i_p	=	annual escalation rate associated with the plant cost of the Company's Avoided Unit;	2.2%
i_o	=	annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit;	2.4%
n	=	year for which early capacity payments to a QF are to begin;	Jan, 2002
F	=	the cumulative present value of the avoided capital cost component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit and continued for a period of 5 years;	$171.22
r	=	annual discount rate, defined as the Company's incremental after-tax cost of capital;	7.78%
t	=	the term, in years, of the Standard Offer Contract for the purchase of firm capacity commencing one year prior to the in-service date of the Company's Avoided Unit;	6
G	=	the cumulative present value of the avoided fixed operation and maintenance expense component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit and continued for a period of 5 years.	$6.47

APPENDIX III TO RATE SCHEDULE COG - 2
VALUE OF CAPACITY LOCATION



FLORIDA POWER & LIGHT COMPANY

APPENDIX B
TO THE STANDARD OFFER CONTRACT
FOR THE PURCHASE OF FIRM CAPACITY AND ENERGY
FROM A SMALL POWER PRODUCER OR OTHER QUALIFYING FACILITY
USING RENEWABLE OR NON-FOSSIL FUEL, A QUALIFYING FACILITY WITH A DESIGN CAPACITY OF 100 KW OR LESS, OR A SOLID WASTE FACILITY
PAY FOR PERFORMANCE PROVISIONS MONTHLY CAPACITY PAYMENT CALCULATION

1. Monthly Capacity Payments (MCP) for each Monthly Billing Period shall be computed according to the following:

   A. In the event that the Annual Capacity Billing Factor ("ACBF"), as defined below, is less than 90%, then no Monthly Capacity Payment shall be due. That is:

   $$MCP = 0$$

   B. In the event that the ACBF is equal to or greater than 90% but less than 98%, then the Monthly Capacity Payment shall be calculated by using the following formula:

   $$MCP = BCP \times [.05 \times (ACBF - 78)] \times CC$$

   C. In the event that the ACBF is equal to or greater than 98%, then the Monthly Capacity Payment shall be calculated by using the following formula:

   $$MCP = BCP \times CC$$

   Where:

   MCP = Monthly Capacity Payment in dollars.

   BCP = Base Capacity Payment in $k/W/Month as specified in FPL's Rate Schedule COG-2.

   CC = Committed Capacity in kW.

   ACBF = Annual Capacity Billing Factor. This factor is calculated using the 12 month, rolling average of the Monthly Capacity Factor. This 12 month rolling average shall be defined as the sum of the 12 consecutive Monthly Capacity Factors preceding the date of calculation, divided by 12. During the first 12 consecutive Monthly Billing Periods, commencing with the first Monthly Billing Period in which Capacity payments are to be made, the calculation of the Annual Capacity Billing Factor shall be performed as follows: (a) during the first Monthly Billing Period, the Annual Capacity Billing Factor shall be equal to the Monthly Capacity Factor; (b) thereafter, the calculation of the Annual Capacity Billing Factor shall be computed by dividing the sum of the Monthly Capacity Factors during the first year's Monthly Billing Periods in which Capacity payments are to be made by the number of Monthly Billing Periods which have elapsed. This calculation shall be performed at the end of each Monthly Billing Period until enough Monthly Billing Periods have elapsed to calculate a true 12-month rolling average Annual Capacity Billing Factor.

   MCF = Monthly Capacity Factor. The total Scheduled Energy received during the Monthly Billing Period for which the calculation is made, divided by the total Scheduled Energy requested during the Monthly Billing Period.

(Continued on Sheet No. 10.213.2)

(Continued from Sheet No. 10.213.1)

For purposes of calculating the Monthly Capacity Factor, hourly energy received shall not exceed the lesser of (i) the energy which could be produced by the Committed Capacity or (ii) the actual Scheduled Energy requested by FPL, during such hour. During any Monthly Billing Period where the number of Dispatch Hours equal zero (0), MCF shall equal 1.0.

On-Peak Hours	=	Those hours occurring April 1 through October 31, from noon to 9:00 p.m., and November 1 through March 31, from 6:00 a.m. to 10:00 a.m. and 6:00 p.m. to 10:00 p.m. prevailing Eastern time. FPL shall have the right to change such On-Peak Hours by providing the QF a minimum of thirty calendar days' advance written notice.
Monthly Billing Period	=	The period beginning on the first calendar day of each calendar month, except that the initial Monthly Billing Period shall consist of the period beginning 12:01 a.m. on the Capacity Delivery Date and ending with the last calendar day of such month.

Scheduled Energy and Dispatch Hours are as defined in Section 8.4.7 of the Standard Offer Contract.

APPENDIX C
TO THE STANDARD OFFER CONTRACT
TERMINATION FEE

The Termination Fee shall be the sum of the values for each month beginning with the month in which the Capacity Delivery Date occurs through the month of termination (or month of calculation, as the case may be), computed according to the following formula:

$$\sum_{i=1}^{n} (MCP_i - MCPC_i) \times t^{(n-i)}$$

with: $MCPC_i = 0$ for all periods prior to the in-service date of the Company's Avoided Unit;

where:

- i = number of the Monthly Billing Period commencing with the Capacity Delivery Date (i.e., the month in which Capacity Delivery Date occurs = 1; the month following the month in which Capacity Delivery Date occurs = 2; etc.)
- n = the number of Monthly Billing Periods which have elapsed from the month in which the Capacity Delivery Date occurs through the month of termination (or month of calculation, as the case may be)
- t = the future value of an amount factor necessary to compound a sum monthly so the annual percentage rate derived will equal FPL's incremental after-tax avoided cost of capital (defined as r in COG-2). For any Monthly Billing Period in which $MCPC_i$ is greater than MCP_i, t shall equal 1.
- MCP_i = Monthly Capacity Payment paid to QF corresponding to the Monthly Billing Period i, calculated in accordance with Appendix B.
- $MCPC_i$ Monthly Capacity Payment for Option A corresponding to the Monthly Billing Period i, calculated in accordance with COG-2.

In the event that for any Monthly Billing Period, the computation of the value of the Termination Fee for such Monthly Billing Period (as set forth above) yields a value equal to or greater than zero, the amount of the Termination Fee shall be increased by the amount of such value.

In the event that for any Monthly Billing Period, the computation of the value of the Termination Fee for such Monthly Billing Period (as set forth above) yields a value less than zero, the amount of the Termination Fee shall be decreased by the amount of such value expressed as a positive number (the "Initial Reduction Value"); provided, however, that such Initial Reduction Value shall be subject to the following adjustments (the Initial Reduction Value, as adjusted, the "Reduction Value"):

a. In the event that in the applicable Monthly Billing Period the Annual Capacity Billing Factor (ACBF), as defined in Appendix B is less than 90%, then the Initial Reduction Value shall be adjusted to equal zero (Reduction Value = 0), and the Termination Fee shall not be reduced for the applicable Monthly Billing Period.

b. In the event that in the applicable Monthly Billing Period the Annual Capacity Billing Factor (ACBF), as defined in Appendix B, is equal to or greater than 90% but less than 98%, then the Reduction Value shall be determined as follows:

Reduction Value = Initial Reduction Value x [0.05 x (ACBF - 78)]

For the applicable Monthly Billing Period, the Termination Fee shall be reduced by the amount of such Reduction Value.

c. In the event that in the applicable Monthly Billing Period the Annual Capacity Billing Factor (ACBF), as defined in Appendix B, is equal to or greater than 98%, then the Initial Reduction Value shall not be adjusted (Reduction Value = Initial Reduction Value), and the Termination Fee shall be reduced for the applicable Monthly Billing Period by the amount of the Initial Reduction Value.

In no event shall FPL be liable to the QF at any time for any amount by which the Termination Fee, adjusted in accordance with the foregoing, is less than zero (0).

APPENDIX D
TO THE STANDARD OFFER CONTRACT

DETAILED PROJECT INFORMATION

Each eligible Contract received by FPL will be evaluated to determine if the underlying QF project is financially and technically viable. The QF shall, to the extent available, provide FPL with a detailed project proposal which addresses the information requested below.

I. FACILITY DESCRIPTION

- Project Name
- Project Location
  - ♦ Street Address
  - ♦ Site Plot Plan
  - ♦ Legal Description of Site
- Generating Technology
- Facility Classification (Cogenerator or Small Power Producer)
- Primary Fuel
- Alternate Fuel (if applicable)
- Committed Capacity
- Expected In-Service Date
- Steam Host (for cogeneration facilities)
  - ♦ Street Address
  - ♦ Legal Description of Steam Host
  - ♦ Host's annual steam requirements (lbs/yr)
- Contact Person
  - ♦ Individual's Name and Title
  - ♦ Company Name
  - ♦ Address
  - ♦ Telephone Number
  - ♦ Telecopy Number

II. PROJECT PARTICIPANTS

- Indicate the entities responsible for the following project management activities and provide a detailed description of the experience and capabilities of the entities:
  - ♦ Project Development
  - ♦ Siting and Licensing the Facility
  - ♦ Designing the Facility
  - ♦ Constructing the Facility
  - ♦ Securing the Fuel Supply
  - ♦ Operating the Facility
- Provide details on all electrical generation facilities which are currently under construction or operational which were developed by the QF.

(Continued on Sheet No. 10.213.5)

(Continued from Sheet No. 10.213.4)

- Describe the financing structure for the projects identified above, including the type of financing used, the permanent financing term, the major lenders, and the percentage of equity invested at financial closing.

III. FUEL SUPPLY

- Describe all fuels to be used to generate electricity at the Facility. Indicate the specific physical and chemical characteristics of each fuel type (*e.g.*, Btu content, sulfur content, ash content, etc.). Identify special considerations regarding fuel supply origin, source and handling, storage and processing requirements.

- Provide annual fuel requirements (AFR) necessary to support planned levels of generation and list the assumptions used to determine these quantities.

- Provide a summary of the status of the fuel supply arrangements in place to meet the AFR in each year of the proposed operating life of the Facility. Use the categories below to describe the current arrangement for securing the AFR.

Category	Description of Fuel Supply Arrangement
owned =	fuel is from a fully developed source owned by one or more of the project participants
contract =	fully executed firm fuel contract exists between the developer(s) and fuel supplier(s)
LOI =	a letter of intent for fuel supply exists between developer(s) and fuel supplier(s)
SPP =	small power production facility will burn biomass, waste, or another renewable resource
spot =	fuel supply will be purchased on the spot market
none =	no firm fuel supply arrangement currently in place
other =	fuel supply arrangement which does not fit any of the above categories (please describe)

- Indicate the percentage of the Facility's AFR which is covered by the above fuel supply arrangement(s) for each proposed operating year. The percent of AFR covered for each operating year must total 100%. For fuel supply arrangements identified as owned, contract, or LOI, provide documentation to support this category and explain the fuel price mechanism of the arrangement. In addition, indicate whether or not the fuel price includes delivery and, if so, to what location.

- Describe fuel transportation networks available for delivering all primary and secondary fuel to the Facility site. Indicate the mode, route and distance of each segment of the journey, from fuel source to the Facility site. Discuss the current status and pertinent factors impacting future availability of the transportation network.

- Provide annual fuel transportation requirements (AFTR) necessary to support planned levels of generation and list the assumptions used to determine these quantities.

- Provide a summary of the status of the fuel transportation arrangements in place to meet the AFTR in each year of the proposed operating life of the Facility. Use the categories below to describe the current arrangement for securing the AFTR.

owned =	fuel transport via a fully developed system owned by one or more of the project participants
contract =	fully executed firm transportation contract exists between the developer(s) and fuel transporter(s)
LOI =	a letter of intent for fuel transport exists between developer(s) and fuel transporter(s)
Spot =	fuel transportation will be purchased on the spot market
none =	no firm fuel transportation arrangement currently in place
other =	fuel transportation arrangement which does not fit any of the above categories (please describe)

(Continued on Sheet No. 10.213.6)

(Continued from Sheet No. 10.213.5)

- Indicate the percentage of the Facility's AFR which is covered by the above fuel supply arrangement(s) for each proposed operating year. The percent of AFR covered for each operating year must total 100%. For fuel supply arrangements identified as owned, contract, or LOI, provide documentation to support this category and explain the transportation price mechanism of the arrangement.

- Provide the maximum, minimum, and average fuel inventory levels to be maintained for primary and secondary fuels at the Facility site. List the assumptions used in determining the inventory levels.

IV. PLANT DISPATCHABILITY/CONTROLLABILITY

- Provide the following operating characteristics and a detailed explanation supporting the performance capabilities indicated.

  - Ramp Rate (MW/minute)
  - Peak Capability (% above Committed Capacity)
  - Minimum power level (% of Committed Capacity)
  - Facility Turnaround Time, Hot to Hot (hours)
  - Start-up Time from Cold Shutdown (hours)
  - Unit Cycling (# cycles/yr)
  - MW and MVAR Control (AGC, Manual, Other (please explain))

V. SITING AND LICENSING

- Provide a licensing/permitting milestone schedule which lists all permits, licenses and variances required to site the Facility. The milestone schedule shall also identify key milestone dates for baseline monitoring, application preparation, agency review, certification and licensing/siting board approval, and agency permit issuance.

- Provide a licensing/permitting plan that addresses the issues of air emissions, water use, wastewater discharge, wetlands, endangered species, protected properties, solid waste, surrounding land use, zoning for the Facility, associated linear facilities, and support of and opposition to the Facility.

- List the emission/effluent discharge limits the Facility will meet, and describe in detail the pollution control equipment to be used to meet these limits.

VI. FACILITY DEVELOPMENT AND PERFORMANCE

- Submit a detailed engineering, procurement, construction, startup and commercial operation schedule. The schedule shall include milestones for site acquisition, engineering phases, selection of the major equipment vendors, architect engineer, EPC contractor, and Facility operator, steam host integration, and delivery of major equipment. A discussion of the current status of each milestone should also be included where applicable.

- Attach a diagram of the power block arrangement. Provide a list of the major equipment vendors and the name and model number of the major equipment to be installed.

(Continued on Sheet No. 10.213.7)

(Continued from Sheet No. 10.213.6)

- Provide a detailed description of the proposed environmental control technology for the Facility and describe the capabilities of the proposed technology.

- Attach preliminary flow diagrams for the steam system, water system, and fuel system, and a main electrical one line diagram for the Facility.

- State the expected heat rate (HHV) at 75 degrees Fahrenheit for loads of 100%, 75%, and 50%. In addition, attach a preliminary heat balance for the Facility.

- It the Facility will be a cogenerator under FPSC Rule 25-17.080, provide a detailed description of the power plant/steam host interrelationship. Indicate the host's annual steam requirements and the length of time the Facility can operate without the host. Calculate the Facility's expected PURPA operating standard and efficiency standard and list the assumptions used to make the calculations.

VII. FINANCIAL

- Provide FPL with assurances that the proposed QF project is financially viable in accordance with FPSC Rule 25-17.0832(4)(c) by attaching a detailed pro-forma cash flow analysis. The pro-forma must include, at a minimum, the following assumptions for each year of the project.

  - Annual Project Revenues

    - Capacity Payments ($ and $/kW/Mo)
    - Variable O&M ($ and $/MWh)
    - Energy ($ and $/MWh)
    - Steam Revenues ($ and %/lb.)
    - Tipping Fees ($ and $/ton)
    - Interest Income
    - Other Revenues
    - Variable O&M Escalation (%/yr)
    - Energy Escalation (%/yr)
    - Steam Escalation (%/yr)
    - Tipping Fee Escalation (%/yr)

  - Annual Project Expenses

    - Fixed O&M ($ and $/kW/Mo)
    - Variable O&M ($ and $/MWh)
    - Energy ($ and $/MWh)
    - Property Taxes ($)
    - Insurance ($)
    - Emission Compliance ($ and $/MWh)
    - Depreciation ($ and %/yr)
    - Other Expenses ($)
    - Fixed O&M Escalation (%/yr)
    - Variable O&M Escalation (%/yr)
    - Energy Escalation (%/yr)

(Continued on Sheet No. 10.213.8)

(Continued from Sheet No. 10.213.7)

- Other Project Information
  - Installed Cost of the Facility ($ and $/kW)
  - Committed Capacity (kW
  - Average Heat Rate - HHV (MBTU/kWh)
  - Federal Income Tax Rate (%)
  - Facility Capacity Factor (%)
  - Energy Sold to FPL (MWhs)
- Permanent Financing
  - Permanent Financing Term (yrs)
  - Project Capital Structure (percentage of long-term debt, subordinated debt, tax exempt debt, and equity)
  - Financing Costs (cost of long-term debt, subordinated debt, tax exempt debt, and equity)
  - Annual Interest Expense
  - Annual Debt Service ($)
  - Amortization Schedule (beginning balance, interest expense, principal reduction, ending balance)

- Provide details of the financing plan for the project and indicate whether the project will be non-recourse project financed. If it will not be project financed please explain the alternative financing arrangement.

- Submit financial statements for the last two years on the principals of the project, and provide an illustration of the project ownership structure.

I. Facility Description

Ameresco, Inc. proposes to develop a state-of-the art landfill gas-to-energy (LFGTE) facility using landfill gas from Waste Management Inc. of Florida's (WMIF) Medley Landfill in Medley, FL. Medley Landfill is a 124 AC sanitary landfill with an in-place waste mass of approximately 15M tons. There is sufficient disposal capacity available for an additional 10 years at a waste acceptance rate of 800,000 tons per year. Landfill gas (LFG) is currently being produced at the site in excess of 2,500 ft^3/min and is expected to increase steadily for the next 10 years.

Ameresco proposes to develop a 7.4 MW facility that will likely be sized to add additional capacity as increased volumes of landfill gas are generated from the Site. Ameresco proposes to supply a minimum of 5MW of renewable energy pursuant to this Florida Power & Light Company (FPL) Standard Offer Contract (SOC) proposal.

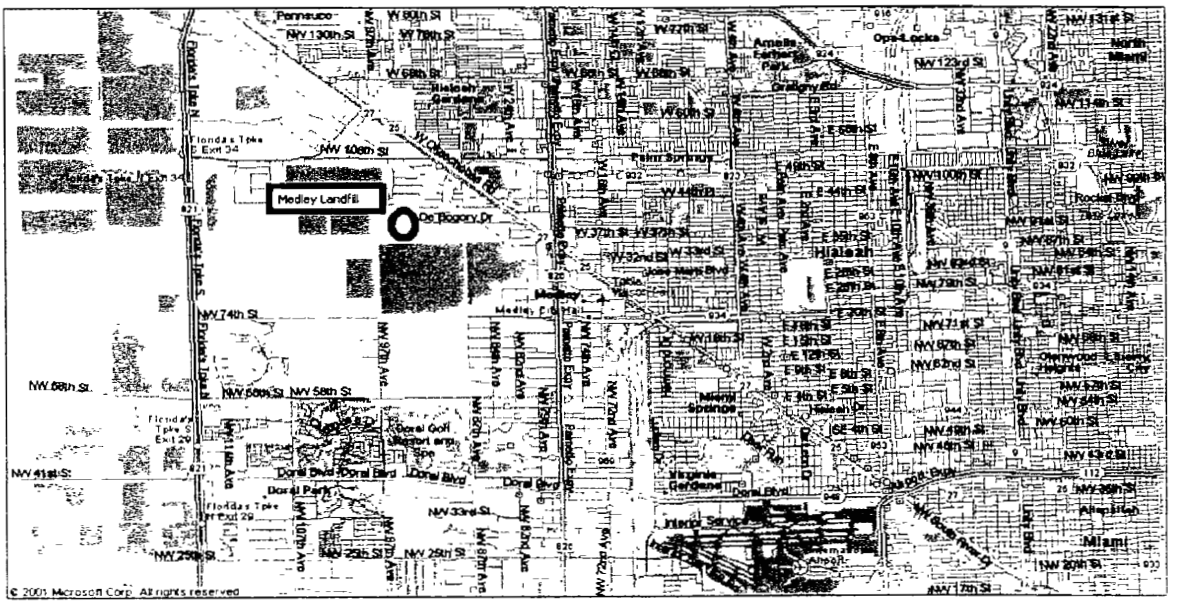
In the unlikely event that Ameresco is not able to develop the proposed project at Medley Landfill, Ameresco proposes to offer an alternative landfill location for developing a similar LFGTE project within FPL's service territory.

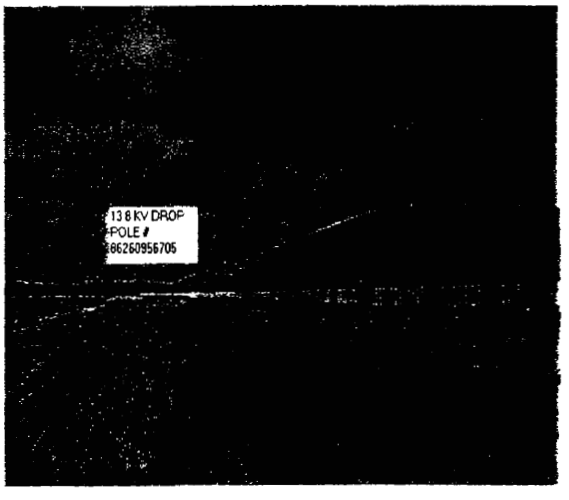
Project Name

Medley Landfill Gas-to-Energy Facility

Project Location

Medley Landfill
9350 NW 89 Avenue
Medley, FL 33178





Site Plot Plan

Provided in Exhibit I.

Legal Description of Site

Provided in Exhibit I.

Generating Technology

Ameresco proposes to utilize LFG-fired reciprocating engine technology to produce power pursuant to this SOC solicitation, most likely using a Jenbacher engine generator package (*http://www.jenbacher.com/www_english/jenbacher_ie.html*). The proposed generators would more than likely be housed in building. Ameresco is also investigating several other plant configuration options; among them are containerized Jenbacher engine gensets, Caterpillar engine generator packages or Solar Turbines used in a combined cycle generating plant.

A final decision on generating technology will be made by Ameresco pending the outcome of air permit limitations, firm vendor quotes and overall construction. It should be noted that Ameresco is currently in discussions with several equipment manufacturers relative to the development of a 6 - 8 MW LFGTE facility Ameresco is currently developing in Massachusetts.

Facility Classification

Small Power Producer

Primary Fuel

Landfill Gas

Secondary Fuel

None anticipated. However, natural gas may be considered as a supplemental fuel source as allowable by the Federal Energy Regulatory Agency for Qualified Facilities.

Committed Capacity

Ameresco proposes to develop and deliver 5 MW of base load power in response to this SOC, and plans to also deliver an additional 2 – 4 MW over the five (5) year project term, as additional LFG is generated. Ameresco is proposing to commit to delivering 5.0 MW.

Expected In-Service Date

Ameresco believes that it is possible to have the new capacity placed into service on or about January 1, 2003. Based upon its experience in developing similar projects, the air permitting process is the most difficult to predict since each State has different requirements and the overall aspects of generating electricity using landfill gas tends to be complicated by the landfill owner's own Title 5 permitting efforts under the Clean Air Act. To the extent that Ameresco is unable to meet the January 1, 2003 target date, Ameresco, as provided for herein the Standard Offer Contract, respectfully requests that FPL allow for completion of the facility by no later than May 31, 2003 without incurring the penalties provided for in Sections 5.7, 9.6 and 12(d).

Ameresco personnel have met with representatives from FPL's transmission group to discuss interconnection of the proposed facility into FPL's system. Based upon these discussions it appears likely that the proposed production facility could be tied in at 13.8 KV at either of two power drops that exist on separates sides of the proposed plant site as shown above. The

transmission group has confirmed that interconnection to distribution voltage should not be difficult to accomplish and fairly straightforward in consideration of other existing QF interconnections at landfill sites. Ameresco is prepared to immediately apply for interconnection pending the outcome of this Offer.

Contact Person

Kevin A. Sullivan
Director, Asset Development
Ameresco Energy Services
111 Speen Street, Suite 410
Framingham, MA 01701
Tel.: (508) 661-2223
Fax: (506) 661-2201
Email: kas@ameresco.com

II. Project Participants

Ameresco has assembled a team of highly qualified and experienced project participants to develop the Medley Landfill LFGTE project in response to this solicitation. Members of this team are as follows:

- Ameresco. Inc.
- Waste Management, Inc.
- SCS Engineers, Inc.
- A.E. Schmidt Engineers, Inc.

Please see team members' supplemental data enclosed in Exhibit II.

Project Development

Waste Management, Inc. has agreed to assist Ameresco with the overall development of the proposed production facility. WMI serves as the managing partner for Bio-Energy Partners who have developed an array of power generation and direct sale projects throughout the world. WMI's interest in the Medley LFGTE project is to sell landfill gas to Ameresco, and to provide a suitable site location under a long-term land lease. WMI has been very helpful in facilitating the activities necessary for the project(s) to be developed.

In addition, Ameresco will be playing a major role in overseeing the permitting, engineering, construction, commissioning and long-term operation and maintenance of the proposed generating facility. Furthermore, Ameresco will maintain the lead role in obtaining an interconnection agreement with FPL.

In December 2001, Ameresco reached an agreement with Montana Power Company, which has agreed to purchase 150 MW of wind farm from a project that Ameresco, doing business as Montana Wind Harness, is currently developing. It will be the State's largest wind farm with 115 wind turbines with construction expected to begin in September 2003.

Ameresco has been steadily developing LFGTE projects at numerous landfill locations throughout the United States. Specifically, as noted below, Ameresco is currently developing

three (3) projects in New York, three (3) in Illinois, and one (1) in Massachusetts. Ameresco has an aggressive goal of developing and acquiring additional LFGTE projects as part of its overall strategy to grow its core energy services business including demand side management.

Siting and Licensing the Facility

Ameresco has determined that the proposed production facility is exempt from formal siting under the Florida Electric Power Plant Siting Act since the plant will have a capacity of less than 75 MW.

Ameresco will also directly retain the responsibility for siting and licensing of the production facility. It should be noted that facility siting has been procured since WMIF has agreed in principle to lease land to Ameresco to develop the production facility and related infrastructure. For licensing, Ameresco anticipates utilizing LeBoefuf, Lamb, Greene & MacRae for legal representation, including the filing of necessary paperwork to FERC and other interest or regulatory groups.

Designing the Facility

Ameresco proposes to utilize SCS Engineers to perform the design activities relative to landfill gas collection system piping and related mechanical and electrical components. Since 1970, SCS Engineers has been a national leader in the planning, permitting, investigation, design, construction, and operation of LFG control and energy recovery systems. Their LFG designs are working at hundreds of locations around the world.

SCS specializes in engineering design services and investigations; and design/build projects. Working through its subsidiary SCS Field Services, SCS provides design/build services for construction of landfill gas systems. A design/build project typically combines the design and construction steps into a single contract, resulting in an expedited construction schedule and reduced overall costs.

A professional engineering firm that will be selected as part of a formal selection process will complete the design of the actual production facility. Ameresco will maintain the responsibility for directly overseeing the design activities.

Constructing the Facility

Ameresco will more than likely hire AES Construction Group to serve as a general contractor for the construction of the proposed facility and possibly serve as a design build contractor. AES will rely on local, specialty subcontractors to perform the services necessary to complete the proposed production facility.

Securing the Fuel Supply

Ameresco is currently in discussions with WMIF regarding the aspects of executing a gas purchase agreement for the purchase of fuel for the proposed production facility. Ameresco has recently finalized the aspects of a similar agreement with WMI which took several months to develop and will be used as a template for the proposed Medley project. The gas purchase agreement will include a minimum term of 15 years, and will afford Ameresco the means in which to supply the proposed energy and capacity to FPL.

Operating the Facility

Ameresco will retain the responsibility for performing long-term operation and maintenance of the production facility. This will include the use of local, specialty subcontractors to perform, for example, engine overalls, high voltage maintenance, compressor repairs, etc. Ameresco proposes to directly hire plant employees domiciled in the local area, including mechanics and laborers.

Electrical generation facilities under construction or operational

Ameresco owns and operates a 6 MW landfill gas-to-energy facility at the Al Turi Landfill in Goshen, New York. The plant has been on-line since July 1987 and the output is sold to Orange Rockland Utility.

Ameresco is currently initiating the construction of a 5.6 MW landfill gas-to-energy facility at Waste Management's Chicopee Landfill located just outside of Springfield, MA. The plant is expected to be online by July 31, 2002 and will initially utilize three (3) Jenbacher reciprocating engines. This LFGTE plant in Chicopee is similar to that proposed here for Medley, except that Medley already produces enough LFG to support four (4) engines. The Chicopee plant's output will be sold locally in the Springfield, MA area.

Ameresco has recently reached an agreement with Waste Management of South Carolina, Inc. that grants Ameresco the gas rights to install a 9.1 mile dedicated landfill gas pipeline that will be used to deliver gas to a major automobile manufacturer. The landfill gas will be compressed into a closed loop cogeneration system consisting of four (4) North American Turbine Company gas turbines that will be used to supply electricity and hot water to satisfy plant load.

Financing Structure

Al Turi LFGTE project is operational, completed with 100% equity financing. Chicopee and the South Carolina projects are similar to this proposal, but with 30% equity; 70% debt. Financing terms for the Chicopee and the South Carolina projects are 10 years, similar to this proposal. Remaining financing details for the Chicopee and the South Carolina projects are yet to be determined.

III. Fuel Supply

Ameresco proposes to only utilize landfill gas for the proposed project during the five (5) year term. The approximate BTU content of the landfill gas at the Medley Landfill as reported by SCS Engineers is 506 BTU/ft^3. The approximate concentration of hydrogen sulfide (H_2S) is 1,200 parts per million (ppm).

As previously mentioned, Medley Landfill is currently producing in excess of 2,500 ft^3/min with a heat content of 506 BTU/ft^3. WMIF is in the processing of making improvements to the existing gas collection system that should increase gas flow to over 3,000 ft^3/min (~789,000 mmBTU/yr). Ameresco proposes to initially install four (4) Jenbacher reciprocating engines that would consume approximately 2,500 ft^3/min of landfill gas, running at full load with a projected capacity factor of 93%, requiring approximately 684,852 mmBTU/yr, or 86% of WMIF's current available gas flow. It is expected that additional generating units will be brought on line as more

landfill gas becomes available. Ameresco will rely entirely on WMIF for supplying sufficient annual fuel requirements for the proposed project.

WMI has developed a production curve as a means to estimate the amount of LFG that will be produced over the life of the proposed project. A copy of WMI's gas production curve is presented in Exhibit III. As can be seen from the gas curve, WMI predicts that the landfill gas production will peak at roughly 4,300 ft^3/min in 2012, shortly after the closure of the landfill.

Ameresco proposes to purchase LFG from Medley Landfill that it will use for fuel to produce electricity. The landfill gas will be extracted from the landfill using a blower or compressor configuration that will draw a vacuum on the existing gas extraction wells installed throughout the landfill. The LFG will be piped directly into the proposed power plant (see previous site plan) through a dedicated transmission line. Since landfill gas is being produced constantly, Ameresco is almost guaranteed a firm supply of fuel.

Following extraction from the landfill, the gas will be dewatered, filtered, dried prior to combustion in the engines. Ameresco is paying close attention to the (higher than normal) levels of hydrogen sulfide in the LFG from Medley that it believes, at current levels, can be managed through gas refrigeration and more frequent engine oil changes.

As previously noted, Ameresco is in the process of negotiating a long-term gas purchase agreement for use of landfill gas from Medley Landfill. Ameresco describes its current arrangement for securing the annual fuel requirements for the proposed project as "SPP" – Small Power Production facility burning landfill gas as a renewable resource.

IV. Plant Dispatchability/Controllability

Ramp Rate (MW/min):

5 MW / 30 min

Peak Capability (% above Committed Capacity):

Plant peak capability with the four (4) proposed Jenbacher engine generator sets is 7.416 MW. This is 48.3% above the committed capacity of 5 MW.

Minimum Power Level (% of Committed Capacity):

1 engine @ 60% = 979kW, minimum turndown capability.

Facility Turnaround Time, Hot to Hot (hours):

0.25

Start-up Time from Cold Shutdown (hours):

0.5

Unit Cycling (# cycles/yr):

Preferred unit cycling = 50 cycles per year.

Maximum unit cycling = 100 cycles per year.

MW and MVAR Control (AGC, Manual, Other):

Automatic (excitation control range: 0.85 to 1.0 PF)

V. Siting and Licensing

Milestone Schedule:

Permitting milestones for all permits, licenses and variances that Ameresco currently believes are required in order to site the facility, *from Notice To Proceed*, are listed below. As previously noted, formal siting approval is not required for the proposed facility.

- Baseline Noise measurement (within 4 weeks)
- Baseline landfill gas analysis (within 4 weeks)
- Preliminary Meeting with Florida DEP to confirm permitting requirements (within 8 weeks)
- Preliminary Meeting with local building code officer to confirm zoning requirements
- Complete and Submit Air/Noise Permit Application with Florida DEP (within 10 weeks)
- DEP administrative review of air permit (4 weeks)
- DEP technical review of air permit (12 weeks)
- Issuance of Conditional Air Permit (within 16 weeks)
- Solid waste permit for landfill gas pipeline to plant site (within 20 weeks)

Permitting Plan:

A preliminary meeting will be established to Florida DEP to discuss the potential project and identify all the permitting requirements. Upon confirming requirements, the application for air/noise permitting will be submitted for review and approval. In addition, a preliminary meeting will be established with the local code enforcement officer to confirm the zoning and code issues required for siting and constructing a plant at the proposed site. The proposed plant will not require significant water and waste water facilities since all cooling components are "closed loop" systems.

Emission/effluent discharge limits:

Reciprocating engines proposed for the plant will include fuel/air ratio controls to optimize the operation of the engines for minimal air emissions of NOx, CO, and VOCs. Current technology limits NOx to 0.6-0.8 g/bhp-hr, and CO to 3.0-3.5 g/bhp-hr. The landfill gas is initially fully saturated at approximately 100 degrees Fahrenheit, and will be dehydrated to a dewpoint of approximately 40 degrees Fahrenheit. All condensate moisture removed from the gas stream will be returned to the landfill's leachate system for proper handling.

VI. Facility Development and Performance

EPC/Operation Milestone Schedule:

Please see Exhibit VI.

Power Block arrangement:

Please see Exhibit VI. (PLANT_GEN_ARRANGEMENT)

Major Equipment Vendor:

The major equipment vendor will be Jenbacher Energie Systems. The engine generator sets will be Model JGS 616 GS-L.L. Electrical switchgear and transformers to be determined – please see electrical one-line diagram.

Proposed Environmental Control:

The proposed environmental control technology consists of automatic fuel/air ratio control on Jenbacher reciprocating engine package. Please see the preceding discussion presented with respect to emission/effluent discharge limits.

Flow and One-Line Diagrams:

Please see Exhibit VI for the main electrical one-line diagram. There is no steam system, and the fuel system is composed of LFG piping from the boundary of the plant to the Jenbacher engine generator set gas trains. Please refer to the PLANT_GEN_ARRANGEMENT for the illustration of the engine cooling radiators to the gensets; this plant will employ closed loop cooling.

Expected Heat Rate:

The expected heat rate (HHV) at 75 degrees Fahrenheit for the following loads are:

100%	9300 Btu/kW-e
75%	9500 Btu/kW-e
50%	9800 Btu/kW-e

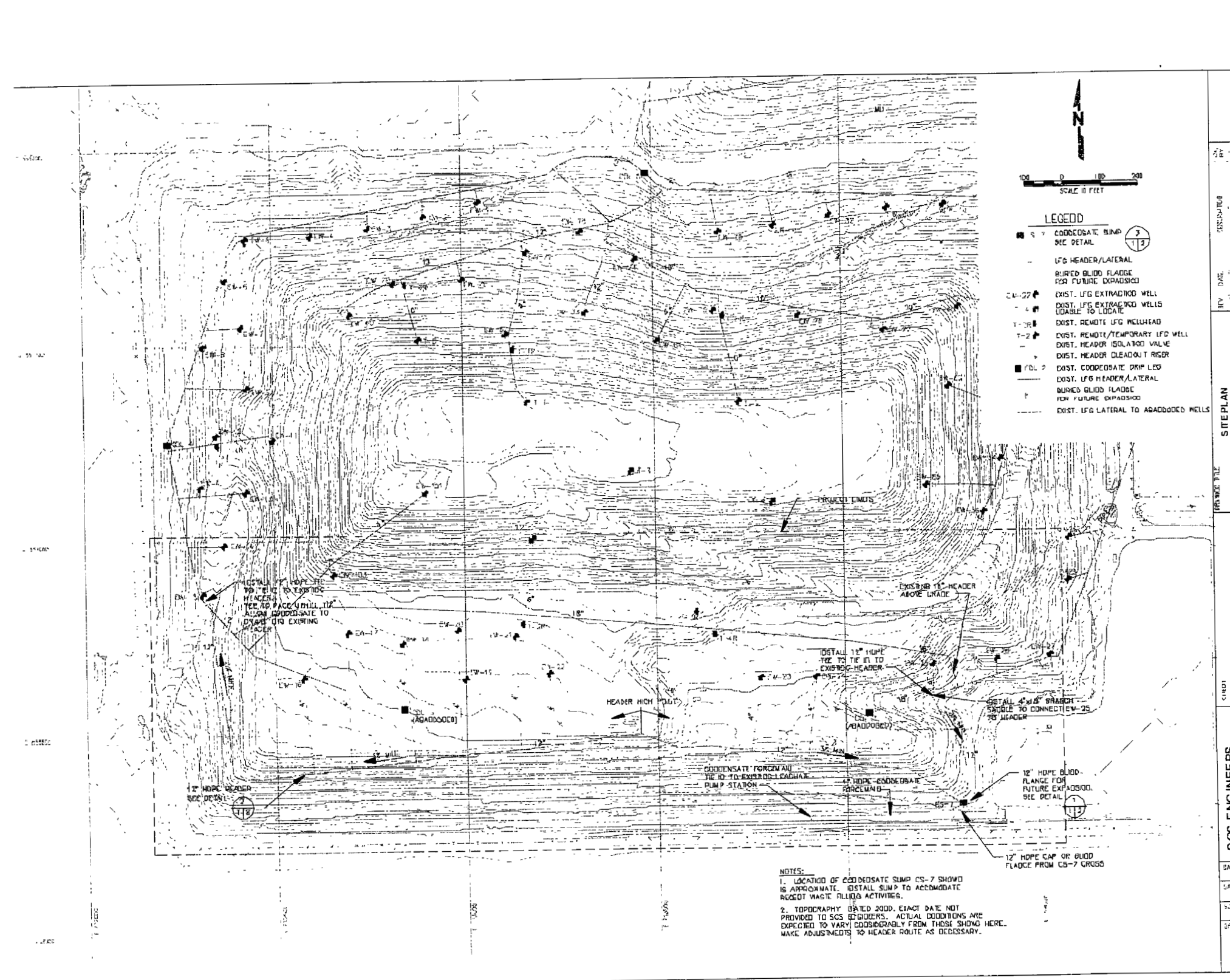
VII. Financial

Ameresco has developed a detailed pro-forma cash flow analysis for the proposed project that is presented in Exhibit VII. Please note that the O&M portion of the energy payments is included in the energy revenue displayed.

Please see Exhibit VII for Financial Statements from 2000 prepared by Arthur Anderson LLP. Also included is an unaudited balance sheet for 2001 prepared by the Corporate Controller and Treasurer. The firm's 2001 statements are currently being audited and will be available at the beginning of March 2002. Ameresco will provide said statements upon request of FPL at that time.

Exhibit I
Facility Description

- Site Plot Plans
- Site Photographs
- Legal Description of Site



NOTES:

1. LOCATION OF CONDENSATE SUMP CS-7 SHOWN IS APPROXIMATE. INSTALL SUMP TO ACCOMMODATE REQUIRED WASTE FILLING ACTIVITIES.
2. TOPOGRAPHY DATED 2000. EXACT DATE NOT PROVIDED TO SCS ENGINEERS. ACTUAL CONDITIONS ARE EXPECTED TO VARY CONSIDERABLY FROM THOSE SHOWN HERE. MAKE ADJUSTMENTS TO HEADER ROUTE AS NECESSARY.

NO.	DESCRIPTION	DATE	BY
1			
2			
3			

DRAWING TITLE: SITE PLAN

PROJECT TITLE: PHASE 3 LANDFILL GAS COLLECTION SYSTEM IMPROVEMENTS

CLIENT: WASTE MANAGEMENT INC. OF FLORIDA
9350 N.W. 98TH AVENUE
MEDLEY FLORIDA 33178

SCS ENGINEERS
[illegible]

DWG FILE: LFG-PHASE

DATE: MARCH 1, 2

SCALE: 1"=100'

DRAWING NO.

1 of

Pro-Forma Cash Flow Analysis

Jenbacher 4 model 616

Debt Information

Total Capital Investment	$	9,087,436
Percent of Debt		50%
Principal to be Financed	$	4,543,718
Equity	$	4,543,718
Term (years)		10
Interest Rate		8.0%
Monthly Payment	$	(55,126)
Annual Payment	$	(661,534)

O&M Information

Annual O&M ($/mwh)	$	17.00
Initial O&M Cost	$	1,105,070
Initial LFG Cost ($/mmbtu)	$	0.25 yrs 1-15
Initial LFG Cost	$	167,949

Heat Rate LHV (Btu/kwh) without Clairs	9,395
Percent Parasitic Load	4%
Plant Availability	98%
LFG Quality (Btu/cf) LHV	450

LFG Escalation	0%
O&M Escalation	3%
CPI(Tipping Fee and Steam Escalation)	3%

Equipment Insurance	1.50%	of Equipment Cost
Business Interruption Insurance	3.30%	of 6 months property tax insurance, debt service
Liability Insurance	1.00%	of Revenue

Production and Fuel Summary

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Plant Maximum Capacity Rating -MCR (MW)		7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572
Plant output limited by Nox cap (MW)		7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572
Plant output limited by LFG availability (MW)		7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572
Maximum Capacity Allowed under Standard Offer (MW)		5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000
Minimum Gross Capacity Offered to FP&L (MW)		5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000
Gross Energy Production (mwh)		65,004	65,004	65,004	65,004	65,004	65,004	65,004	65,004	65,004	65,004	65,004	65,004	65,004	65,004	65,004
Net Energy Production (mwh)		62,165	62,165	62,165	62,165	62,165	62,165	62,165	62,165	62,165	62,165	62,165	62,165	62,165	62,165	62,165
5 MW Gross Energy Produced (100% Availability)		43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800
Energy Price ($/mwh) (includes O&M		$ 41.98	$ 42.65	$ 43.20	$ 43.86	$ 44.42	$ 44.98	$ 45.55	$ 46.13	$ 46.72	$ 47.31	$ 47.91	$ 48.52	$ 49.13	$ 49.76	$ 50.39
Capacity rate/kw per month		$ 3.30	$ 3.40	$ 3.49	$ 3.55	$ 3.63	$ 3.71	$ 3.79	$ 3.87	$ 3.96	$ 4.04	$ 4.13	$ 4.23	$ 4.32	$ 4.41	$ 4.51
Steam Rate ($/lb)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Tipping Fees ($/ton)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fuel Requirement at Predicted Run Rate LHV (mmbtu)		610,723	610,723	610,723	610,723	610,723	610,723	610,723	610,723	610,723	610,723	610,723	610,723	610,723	610,723	610,723
Plant LFG Requirement (scfm)		2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371
Predicted Recovered LFG (scfm)		3,000	3,167	3,334	3,501	3,668	3,835	4,002	4,169	4,336	4,503	4,400	4,300	4,200	4,100	4,000
Excess (deficient) Fuel Availability (mmbtu)		145,718	184,427	223,136	261,845	300,554	339,263	377,972	416,680	455,389	493,403	470,224	447,045	423,866	400,687	377,508
Potential (deficient) power from Excess (deficient) fuel (mw)		1.81	2.29	2.77	3.25	3.73	4.21	4.69	5.17	5.65	6.12	5.83	5.54	5.26	4.97	4.68
LFG sold HHV (mmbtu)		671,795	671,795	671,795	671,795	671,795	671,795	671,795	671,795	671,795	671,795	671,795	671,795	671,795	671,795	671,795

Pro-Forma Cash Flow Analysis

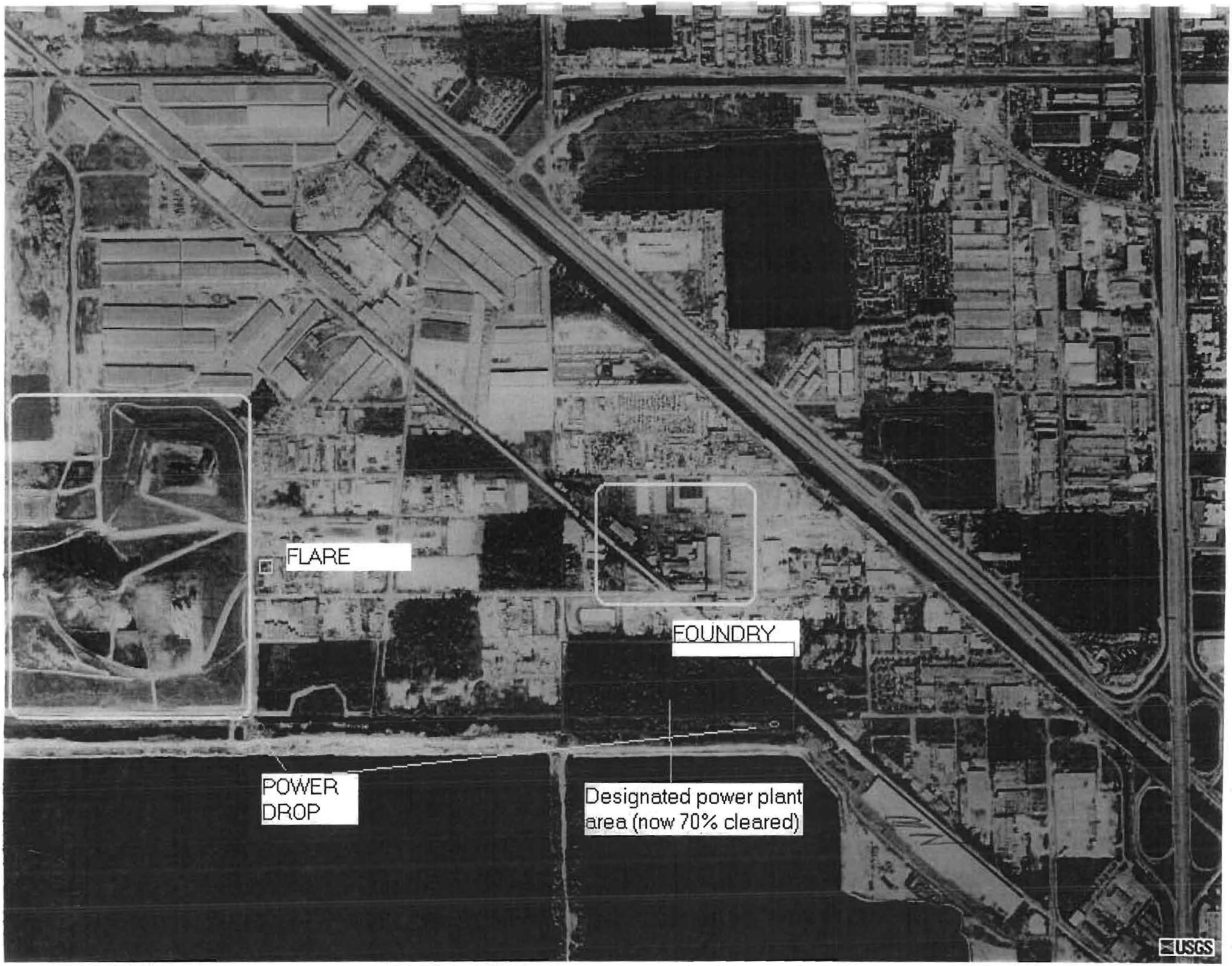
Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Revenue																
Energy Sales (Minimum 5 MW at 100% Availability)		$ 1,838,876	$ 1,867,858	$ 1,882,186	$ 1,921,214	$ 1,945,586	$ 1,970,272	$ 1,995,266	$ 2,020,582	$ 2,046,217	$ 2,072,178	$ 2,098,467	$ 2,125,090	$ 2,152,051	$ 2,179,354	$ 2,207,004
Energy Sales (Above Minimum 5 MW at 100% Availability)		$ 771,042	$ 783,184	$ 793,395	$ 805,566	$ 815,787	$ 826,136	$ 836,618	$ 847,232	$ 857,981	$ 868,866	$ 879,889	$ 891,052	$ 902,357	$ 913,805	$ 925,398
Subtotal Energy Sales		$ 2,609,918	$ 2,651,052	$ 2,685,582	$ 2,726,780	$ 2,761,375	$ 2,796,408	$ 2,831,886	$ 2,867,814	$ 2,904,198	$ 2,941,043	$ 2,978,356	$ 3,016,143	$ 3,054,408	$ 3,093,159	$ 3,132,402
Capacity Sales (based on 5 MW at 100% Availability)		$ 196,156	$ 204,035	$ 208,740	$ 212,856	$ 217,560	$ 222,368	$ 227,282	$ 232,305	$ 237,439	$ 242,686	$ 248,049	$ 253,531	$ 259,134	$ 264,861	$ 270,714
Steam Sales		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Tipping Fees		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Revenue	$ -	$ 2,806,074	$ 2,855,088	$ 2,894,322	$ 2,939,636	$ 2,978,935	$ 3,018,776	$ 3,059,168	$ 3,100,119	$ 3,141,637	$ 3,183,729	$ 3,226,406	$ 3,269,674	$ 3,313,542	$ 3,358,020	$ 3,403,116
Expenses																
LFG Cost		$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)
Interconnection Charges																
O&M		$ (1,105,070)	$ (1,138,222)	$ (1,172,368)	$ (1,207,540)	$ (1,243,766)	$ (1,281,079)	$ (1,319,511)	$ (1,359,096)	$ (1,399,869)	$ (1,441,865)	$ (1,485,121)	$ (1,529,675)	$ (1,575,565)	$ (1,622,832)	$ (1,671,517)
Non Capital Expenses (e.g. Start Up, Spare Parts, etc.)	$ (30,000)															
Administration		$ (24,000)	$ (24,720)	$ (25,462)	$ (26,226)	$ (27,012)	$ (27,823)	$ (28,657)	$ (29,517)	$ (30,402)	$ (31,315)	$ (32,254)	$ (33,222)	$ (34,218)	$ (35,245)	$ (36,302)
Property Tax		$ (60,000)	$ (61,800)	$ (63,654)	$ (65,564)	$ (67,531)	$ (69,557)	$ (71,643)	$ (73,793)	$ (76,007)	$ (78,287)	$ (80,636)	$ (83,055)	$ (85,547)	$ (88,113)	$ (90,757)
Equipment Insurance		$ (56,838)	$ (58,338)	$ (60,088)	$ (61,891)	$ (63,747)	$ (65,660)	$ (67,630)	$ (69,659)	$ (71,748)	$ (73,901)	$ (76,118)	$ (78,401)	$ (80,753)	$ (83,176)	$ (85,671)
Business Interruption Insurance		$ (12,676)	$ (12,728)	$ (12,762)	$ (12,838)	$ (12,896)	$ (12,955)	$ (13,016)	$ (13,079)	$ (13,144)	$ (13,211)	$ (2,385)	$ (2,436)	$ (2,509)	$ (2,584)	$ (2,661)
Liability Insurance		$ (28,081)	$ (29,407)	$ (30,706)	$ (32,122)	$ (33,526)	$ (34,996)	$ (36,528)	$ (38,128)	$ (39,797)	$ (41,540)	$ (43,360)	$ (45,260)	$ (47,243)	$ (49,314)	$ (51,475)
Total Expenses	$ (30,000)	$ (1,444,413)	$ (1,462,864)	$ (1,522,400)	$ (1,563,201)	$ (1,605,174)	$ (1,648,425)	$ (1,692,964)	$ (1,738,821)	$ (1,786,249)	$ (1,835,020)	$ (1,874,363)	$ (1,926,154)	$ (1,979,526)	$ (2,034,526)	$ (2,091,209)
Gross Margin	$ (30,000)	$ 1,363,661	$ 1,372,225	$ 1,371,922	$ 1,376,435	$ 1,373,761	$ 1,370,351	$ 1,366,174	$ 1,361,198	$ 1,355,388	$ 1,348,710	$ 1,352,043	$ 1,343,520	$ 1,334,017	$ 1,323,494	$ 1,311,911
Plant Depreciation (SL)		$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)
Project Financing (Interest Only)		$ (347,884)	$ (322,791)	$ (295,692)	$ (266,425)	$ (234,816)	$ (200,679)	$ (163,810)	$ (123,992)	$ (80,989)	$ (34,545)	$ -	$ -	$ -	$ -	$ -
Income Before Taxes	$ (30,000)	$ 409,948	$ 443,604	$ 470,401	$ 504,181	$ 533,116	$ 563,844	$ 596,535	$ 631,377	$ 668,570	$ 708,335	$ 746,214	$ 737,691	$ 728,188	$ 717,665	$ 706,082
Income Taxes		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (463,736)	$ (525,666)	$ (540,817)	$ (537,408)	$ (533,607)	$ (529,388)	$ (524,764)
Net Income	$ (30,000)	$ 409,948	$ 443,604	$ 470,401	$ 504,181	$ 533,116	$ 563,844	$ 596,535	$ 631,377	$ 204,834	$ 182,670	$ 205,397	$ 200,283	$ 194,581	$ 188,267	$ 181,317
Plant Depreciation (SL)-Add Back		$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829
Less Project Financing Principal		$ (313,651)	$ (338,743)	$ (365,842)	$ (395,109)	$ (426,718)	$ (460,856)	$ (497,724)	$ (537,542)	$ (580,545)	$ (626,989)	$ -	$ -	$ -	$ -	$ -
Less Plant Investment	$ (9,087,436)															
Proceeds from Financing-Add Back	$ 4,543,718															
Net Cash Flow	$ (4,573,718)	$ 702,127	$ 710,691	$ 710,388	$ 714,901	$ 712,227	$ 708,817	$ 704,640	$ 699,664	$ 230,118	$ 161,510	$ 811,226	$ 806,112	$ 800,410	$ 794,096	$ 787,145

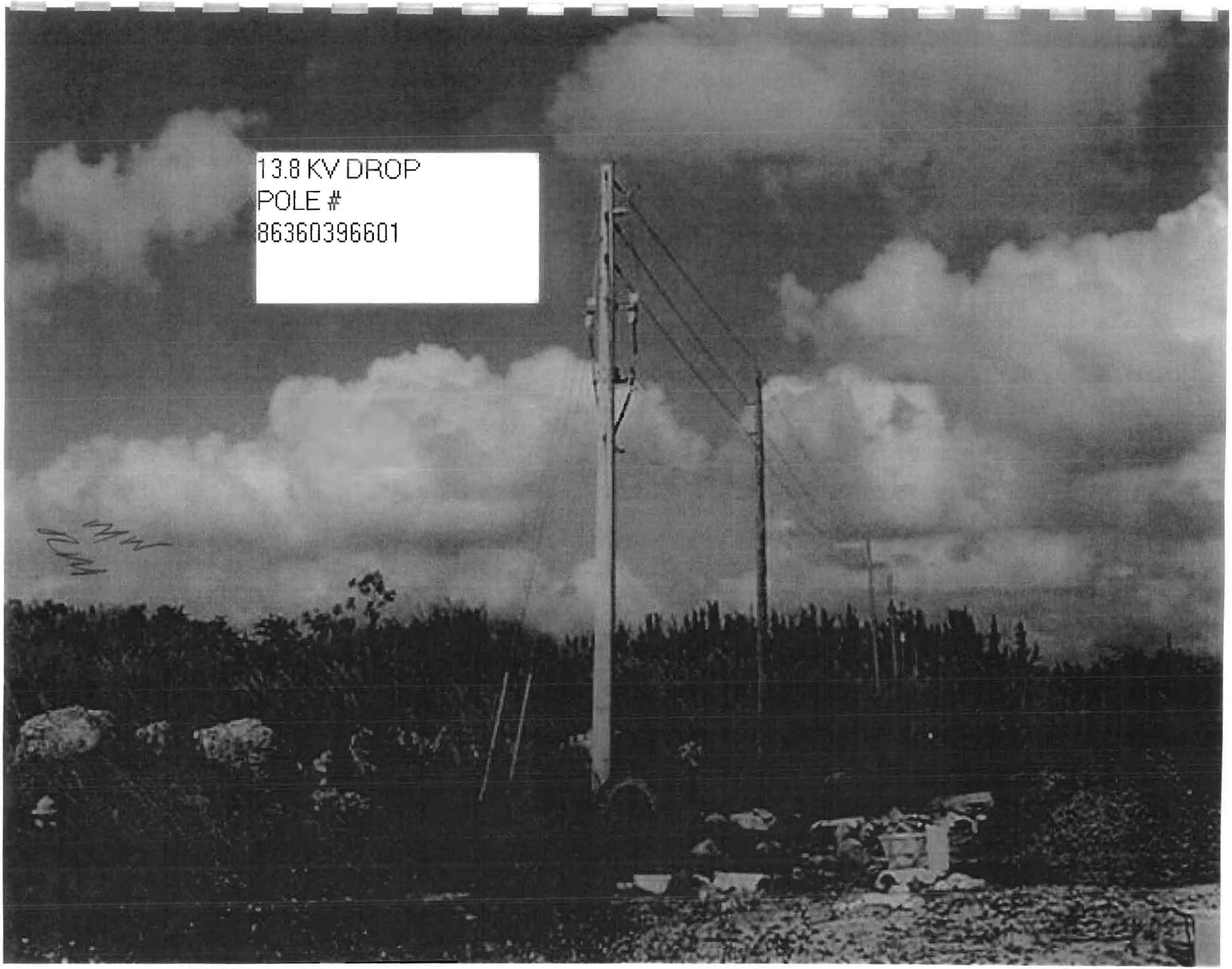
Taxable Income Analysis

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
Income before taxes		$ 409,948	$ 443,604	$ 470,401	$ 504,181	$ 533,116	$ 563,844	$ 596,535	$ 631,377	$ 668,570	$ 708,335	$ 746,214	$ 737,691	$ 728,188	$ 717,665	$ 706,082	$ 9,165,750
Plant Depreciation (SL) - add back		$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 9,087,436
ACRS Depreciation Table for 5yr		20.000%	32.000%	19.200%	11.520%	11.520%	5.760%										
Plant Depreciation (ACRS)		$ (1,817,487)	$ (2,907,979)	$ (1,772,060)	$ (1,046,873)	$ (1,046,873)	$ (523,436)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (9,114,698)
Taxable Income, before carryforward		$ (801,710)	$ (1,858,545)	$ (695,820)	$ 63,138	$ 92,073	$ 645,237	$ 1,202,364	$ 1,237,206	$ 1,274,399	$ 1,314,164	$ 1,352,043	$ 1,343,520	$ 1,334,017	$ 1,323,494	$ 1,311,911	
Carryforward		$ -	$ (801,710)	$ (2,660,256)	$ (3,356,076)	$ (3,292,938)	$ (3,200,866)	$ (2,554,629)	$ (1,352,265)	$ (115,059)	$ -	$ -	$ -	$ -	$ -	$ -	
Taxable Income		$ (801,710)	$ (2,660,256)	$ (3,356,076)	$ (3,292,938)	$ (3,200,866)	$ (2,554,629)	$ (1,352,265)	$ (115,059)	$ 1,159,340	$ 1,314,164	$ 1,352,043	$ 1,343,520	$ 1,334,017	$ 1,323,494	$ 1,311,911	
Income Taxes 40.0%		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 463,736	$ 525,666	$ 540,817	$ 537,408	$ 533,607	$ 529,398	$ 524,764	$ 3,655,395

Debt Service

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
Principal, beginning of period		$ -	$ 4,543,718	$ 4,230,067	$ 3,891,325	$ 3,525,483	$ 3,130,373	$ 2,703,655	$ 2,242,800	$ 1,745,076	$ 1,207,534	$ 626,989	$ 0	$ 0	$ 0	$ 0	$ 0	
Less principal payment		$ (4,543,718)	$ 313,651	$ 338,743	$ 365,842	$ 395,109	$ 426,718	$ 460,856	$ 497,724	$ 537,542	$ 580,545	$ 626,989	$ -	$ -	$ -	$ -	$ -	$ (0)
Principal, end of period		$ 4,543,718	$ 4,230,067	$ 3,891,325	$ 3,525,483	$ 3,130,373	$ 2,703,655	$ 2,242,800	$ 1,745,076	$ 1,207,534	$ 626,989	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	
Total Debt Service	$ 661,534	$ 661,534	$ 661,534	$ 661,534	$ 661,534	$ 661,534	$ 661,534	$ 661,534	$ 661,534	$ 661,534	$ 661,534	$ -	$ -	$ -	$ -	$ -	$ 6,615,340
Less principal payment		$ (313,651)	$ (338,743)	$ (365,842)	$ (395,109)	$ (426,718)	$ (460,856)	$ (497,724)	$ (537,542)	$ (580,545)	$ (626,989)	$ -	$ -	$ -	$ -	$ -	$ (4,543,718)
Interest portion of debt service		$ 347,884	$ 322,791	$ 295,692	$ 266,425	$ 234,816	$ 200,679	$ 163,810	$ 123,992	$ 80,989	$ 34,545	$ -	$ -	$ -	$ -	$ -	$ 2,071,622
Debt Coverage		2.05	2.07	2.07	2.08	2.08	2.07	2.07	2.08	2.05	2.04						


FLARE
FOUNDRY
POWER
DROP
Designated power plant
area (now 70% cleared)
USGS


13.8 KV DROP
POLE #
86360396601

DESCRIPTION:

A PARCEL OF LAND LYING IN SECTION 4, TOWNSHIP 53 SOUTH, RANGE 40 EAST, DADE COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

TRACT 9A, LESS THE WEST 35 FEET TO COUNTY, TRACT 14D, LESS THE NORTH 16.01 FEET THEREOF, TRACT 14E, TRACT 15A, TRACT 15B, TRACT 15C, TRACT 16A, TRACT 16B, TRACT 16C, TRACT 17A, TRACT 17B, TRACT 17C, TRACT 17D, LESS THE SOUTH 40.00 FEET THEREOF, TRACT 18A, LESS THE SOUTH 40.00 FEET THEREOF, TRACT 18B, LESS THE SOUTH 40.00 FEET THEREOF, TRACT 18C, LESS THE SOUTH 40.00 FEET AND THE WEST 35.00 FEET THEREOF, ALL IN SUNNY GLADE FARMS, AS RECORDED IN PLAT BOOK 8, PAGE 73 OF THE PUBLIC RECORDS OF DADE COUNTY, FLORIDA;

TOGETHER WITH:

TRACT 4 LESS THE SOUTH 15 FEET THEREOF, AND THE SOUTH ONE-HALF (S.1/2) OF TRACT 5 (FURTHER DESCRIBED AS TRACT 5, LESS THE NORTH 310.00 FEET THEREOF), RESUBDIVISION OF SUNNY SLOPE GARDENS ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 33, PAGE 13 OF THE PUBLIC RECORDS OF DADE COUNTY, FLORIDA;

TOGETHER WITH:

ALL THAT PART OF DAISY STREET, ALSO KNOWN AS N.W. 91ST STREET LYING BETWEEN TRACTS 4 AND 5 OF SAID PLAT, A RESUBDIVISION OF SUNNY SLOPE GARDENS, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 33, PAGE 13 OF THE PUBLIC RECORDS OF DADE COUNTY, FLORIDA, VACATED BY TOWN OF MEDLEY RESOLUTION C-511;

TOGETHER WITH:

ALL THAT CERTAIN UNNAMED RIGHT OF WAY (NOW KNOWN AS 92ND AVENUE) ALONG THE WEST LINE OF THE PLAT, SUNNY SLOPE GARDENS, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 23, PAGE 25 OF THE PUBLIC RECORDS OF DADE COUNTY, FLORIDA, AND THE PLAT RESUBDIVISION OF A PART OF SUNNY SLOPE GARDENS, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 33, PAGE 13 OF THE PUBLIC RECORDS OF DADE COUNTY, FLORIDA, LYING NORTH OF A LINE PARALLEL WITH AND 40.00 FEET NORTH OF AS MEASURED AT RIGHT ANGLES TO THE SOUTH LINE OF SAID SECTION 4, VACATED BY THE TOWN OF MEDLEY RESOLUTION C-576

TOGETHER WITH:

TRACT 2, LESS THE EAST 660.00 FEET THEREOF OF RESUBDIVISION OF A PART OF SUNNY SLOPE GARDENS, ACCORDING TO THE PLAT THEREOF, RECORDED IN PLAT BOOK 33 AT PAGE 13 OF THE PUBLIC RECORDS OF DADE COUNTY, FLORIDA; AND

TRACT 3, LESS THE EAST 385 FEET THEREOF OF RESUBDIVISION OF A PART OF SUNNY SLOPE GARDENS, ACCORDING TO THE PLAT THEREOF, RECORDED IN PLAT BOOK 33 AT PAGE 13 OF THE PUBLIC RECORDS OF DADE COUNTY, FLORIDA..

TOGETHER WITH:

A PARCEL OF LAND LYING IN SECTIONS 4 AND 9, TOWNSHIP 53 SOUTH, RANGE 40 EAST, DADE COUNTY, FLORIDA, BEING A PART OF "SUNNY GLADE FARMS", ACCORDING TO THE PLAT THEREOF, RECORDED IN PLAT BOOK 8, PAGE 73 AND OF "RESUBDIVISION OF A PART OF SUNNY SLOPE GARDENS". ACCORDING TO THE PLAT THEREOF, RECORDED IN PLAT BOOK 33, PAGE 13 AND OF "FLORIDA FRUIT LANDS COMPANY'S SUBDIVISION NO. 1" OF SECTION 9, TOWNSHIP 53 SOUTH, RANGE 40 EAST, ACCORDING TO THE PLAT THEREOF, RECORDED IN PLAT BOOK 2, PAGE 17, ALL OF THE PUBLIC RECORDS OF DADE COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

89°33'55"E (CFT)
89°35'39"E (C)

1201.49' (CFT)
1201.59' (C)

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 4; THENCE ALONG THE WEST LINE OF SAID SECTION 4, NORTH 01°31'02" WEST, 40.01 FEET; THENCE ALONG A LINE 40.00 FEET NORTH OF AND PARALLEL WITH, AS MEASURED AT RIGHT ANGLES TO, THE SOUTH LINE OF SAID SECTION 4 (BEING ALSO THE NORTH LINE OF SAID SECTION 9), NORTH 89°32'36" EAST, 35.01 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE ALONG SAID PARALLEL LINE, NORTH 89°32'36" EAST, 3686.59 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF N.W. 89TH AVENUE, SHOWN AS ALEXANDER STREET ON THE SAID PLAT OF "RESUBDIVISION OF A PART OF SUNNY SLOPE GARDENS"; THENCE ALONG SAID RIGHT-OF-WAY LINE AND THE SOUTHERLY EXTENSION THEREOF, SOUTH 05°44'38" WEST, 66.03 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 230.00 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 83°47'58", AND AN ARC DISTANCE OF 336.39 FEET; THENCE ALONG A LINE 230.80 FEET SOUTH OF AND PARALLEL WITH, AS MEASURED AT RIGHT ANGLES TO, THE NORTH LINE OF SAID SECTION 9, SOUTH 89°32'36" WEST, 3444.89 FEET; THENCE ALONG A LINE 35.00 FEET EAST OF AND PARALLEL WITH, AS MEASURED AT RIGHT ANGLES TO, THE WEST LINE OF SAID SECTION 9, NORTH 01°44'24" WEST, 231.57 FEET; THENCE ALONG A LINE 35.00 FEET EAST OF AND PARALLEL WITH, AS MEASURED AT RIGHT ANGLES TO, THE WEST LINE OF SECTION 4, NORTH 01°31'02" WEST, 39.29 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH:

A PORTION OF SECTION 9, TOWNSHIP 53 SOUTH, RANGE 40 EAST, DADE COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 9; THENCE ALONG THE EAST LINE OF SAID SECTION, SOUTH 01°44'30" EAST, 35.01 FEET; THENCE SOUTH 89°33'20" WEST, 50.01 FEET TO THE POINT OF BEGINNING; THENCE ALONG A LINE 50.00 FEET WEST OF AND PARALLEL WITH, AS MEASURED AT RIGHT ANGLES TO, SAID EAST LINE OF SECTION 9, SOUTH 01°44'30" EAST, 181.30 FEET; THENCE SOUTH 89°32'36" WEST, 1679.09 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 230.00 FEET (A RADIAL LINE TO SAID POINT BEARS SOUTH 20°40'37" EAST); THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 61°12'59", AN ARC DISTANCE OF 245.74 FEET; THENCE ALONG A LINE 35.00 FEET SOUTH OF AND PARALLEL WITH, AS MEASURED AT RIGHT ANGLES TO, THE NORTH LINE OF SAID SECTION 9, NORTH 89°33'20" EAST, 1527.09 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH:

A 30 FOOT WIDE STRIP OF LAND LYING IN TRACTS 16, 17 AND 32, SECTION 9, TOWNSHIP 53 SOUTH, RANGE 40 EAST, AS SHOWN ON FLORIDA FRUIT LAND COMPANY'S SUBDIVISION NO. 1, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 2, PAGE 17 OF THE PUBLIC RECORDS OF DADE COUNTY, FLORIDA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 9; THENCE SOUTH 01°44'24" EAST, ALONG THE WEST LINE OF SAID SECTION 9, A DISTANCE OF 230.86 FEET TO THE POINT OF BEGINNING; THENCE NORTH 89°32'36" EAST, ALONG A LINE PARALLEL TO AND 230.80 FEET SOUTH OF AS MEASURED AT RIGHT ANGLES TO THE NORTH LINE OF SAID SECTION 9, A DISTANCE OF 3585.57 TO A POINT FROM WHICH THE RADIUS POINT OF THE NEXT DESCRIBED CURVE BEARS NORTH 28°48'52" WEST, A PORTION OF THE LAST DESCRIBED COURSE BEING ALONG THE SOUTH BOUNDARY OF THAT CERTAIN 0.5696 ACRE PARCEL DESCRIBED IN A SKETCH AND DESCRIPTION PREPARED BY JACK MUELLER & ASSOCIATES, INC, JOB NO. 89-6554, OCTOBER 13, 1995; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, HAVING A RADIUS OF 250.00 FEET AND A CENTRAL ANGLE OF 28°21'27", AN ARC DISTANCE OF 123.73 FEET TO THE POINT OF TANGENCY; THENCE SOUTH 89°32'36" WEST, ALONG A LINE PARALLEL TO AND 260.80 FEET SOUTH OF AS MEASURED AT RIGHT ANGLES TO SAID NORTH LINE, A DISTANCE OF 3466.15 FEET TO SAID WEST LINE; THENCE NORTH 01°44'24" WEST, ALONG SAID WEST LINE, A DISTANCE OF 30.01 FEET TO THE POINT OF BEGINNING.

TRACT 6C

UNIT NO. LB271

7

TOGETHER WITH:

A PORTION OF TRACTS 1 AND 16, FLORIDA FRUIT LANDS COMPANY'S SUBDIVISION NO. 1 OF SECTION 9, TOWNSHIP 53 SOUTH, RANGE 40 EAST, ACCORDING TO THE PLAT THEREOF RECORDED IN PLAT BOOK 2, AT PAGE 17 OF THE PUBLIC RECORDS IF MIAMI-DADE COUNTY, FLORIDA, BEING PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHEAST CORNER OF SAID SECTION 9; THENCE S01°44'30"E ALONG THE EAST LINE OF SAID SECTION 9 FOR 35.01 FEET TO A POINT THAT IS 35.00 FEET SOUTH OF, AS MEASURED AT RIGHT ANGLES TO, THE NORTH LINE OF SAID SECTION 9; THENCE S89°32'36"W ALONG A LINE THAT IS 35.00 FEET SOUTH OF, AND PARALLEL WITH, THE SAID NORTH LINE OF SECTION 9 FOR 50.01 FEET TO A POINT THAT IS 50.00 FEET WEST OF, AS MEASURED AT RIGHT ANGLES TO, THE SAID EAST LINE OF SECTION 9; THENCE S01°44'30"E ALONG A LINE THAT IS 50.00 FEET WEST OF, AND PARALLEL WITH, THE SAID EAST LINE OF SECTION 9 FOR 181.30 FEET TO THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED; THENCE FROM THE ABOVE ESTABLISHED POINT OF BEGINNING CONTINUE S01°44'30"E ALONG THE SAID LINE THAT IS 50.00 FEET WEST OF, AND PARALLEL WITH, THE EAST LINE OF SECTION 9 FOR 14.55 FEET TO A POINT THAT IS 230.80 FEET SOUTH OF, AS MEASURED AT RIGHT ANGLES TO, THE SAID NORTH LINE OF SECTION 9; THENCE S89°32'36"W ALONG A LINE 230.80 FEET SOUTH OF, AND PARALLEL WITH, THE SAID NORTH LINE OF SECTION 9 FOR 1759.92 FEET TO A POINT OF CURVATURE OF A CIRCULAR CURVE CONCAVE TO THE NORTHWEST, SAID POINT BEARING S00°27'24"E FROM THE CENTER OF SAID CURVE; THENCE NORTHEASTERLY ALONG SAID CURVE TO THE LEFT, HAVING FOR ITS ELEMENTS A RADIUS OF 230.00 FEET AND A CENTRAL ANGLE OF 20°29'14" FOR AN ARC DISTANCE OF 82.24 FEET TO A POINT; THENCE N89°32'36"E FOR 1679.09 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH:

PARCELS 14A, 14B, 14C AND THE NORTH 16.01 FEET OF PARCEL 14D OF SUNNY GLADE FARM, ACCORDING TO THE PLAT THEREOF RECORDED IN PLAT BOOK 8, AT PAGE 73, OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA, BEING PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF LOT 1 OF BLOCK 1 OF THE PLAT OF LEHIGH LAKES INDUSTRIAL CENTER, ACCORDING TO THE PLAT THEREOF RECORDED IN PLAT BOOK 137, AT PAGE 58, OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA; THENCE N89°12'19"W ALONG THE SOUTH LINE OF SAID LOT 1, BLOCK 1, FOR 51.37 FEET TO THE NORTHEAST CORNER OF SAID PARCEL 14A, SAID POINT BEING THE POINT OF BEGINNING OF THE PARCEL HEREIN DESCRIBED; THENCE FROM THE ABOVE ESTABLISHED POINT OF BEGINNING, RUN S01°31'04"E ALONG THE EAST LINES OF SAID PARCELS 14A, 14B, 14C AND 14D FOR 817.87 FEET TO A POINT THAT IS 16.01 FEET SOUTH OF, AS MEASURED AT RIGHT ANGLES TO, THE NORTH LINE OF SAID PARCEL 14D; THENCE S88°29'58"W ALONG A LINE THAT IS 16.01 FEET SOUTH OF, AND PARALLEL WITH, THE SAID NORTH LINE OF PARCEL 14D FOR 1,351.67 FEET TO A POINT ON THE WEST LINE OF SAID PARCEL 14D, SAID POINT ALSO LYING ON THE WEST LINE OF SECTION 4, TOWNSHIP 53 SOUTH, RANGE 40 EAST, MIAMI-DADE COUNTY, FLORIDA; THENCE N01°30'36"W ALONG THE WEST LINES OF SAID PARCELS 14D, 14C, 14B, AND ALONG THE SAID WEST LINE OF SECTION 4 FOR 872.04 FEET TO THE NORTHWEST CORNER OF SAID PARCEL 14A; THENCE S89°12'19"E ALONG THE SAID NORTH LINE OF PARCEL 14A FOR 1,352.65 FEET TO THE POINT OF BEGINNING.

SAID LANDS LYING IN THE TOWN OF MEDLEY, DADE COUNTY, FLORIDA, CONTAINING 233.263 ACRES, MORE OR LESS.

CERTIFICATE:

WE HEREBY CERTIFY THAT THIS SKETCH OF SURVEY AND OTHER PERTINENT DATA SHOWN HEREON, OF THE ABOVE DESCRIBED PROPERTY WAS MADE ON THE GROUND, CONFORMS TO THE MINIMUM TECHNICAL STANDARDS FOR LAND SURVEYING IN THE STATE OF FLORIDA, AS OUTLINED IN CHAPTER 61G17-6, (FLORIDA ADMINISTRATIVE CODE) AS ADOPTED BY THE DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION, BOARD OF PROFESSIONAL SURVEYORS AND MAPPERS, PURSUANT TO CHAPTER 472.027, FLORIDA STATUTES AND THAT SAID SURVEY IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF AS SURVEYED UNDER OUR DIRECTION.

DATE OF LAST FIELD WORK: 8-7-2000, 7-10-2001 (ADDED NW PORTION)

CRAVEN THOMPSON & ASSOCIATES, INC.
CERTIFICATE OF AUTHORIZATION NUMBER LB271

OF SAID PARCELS 14D, 14C, 14B, AND ALONG THE SAID WEST LINE OF SECTION 4 FOR 872.04 FEET TO THE NORTHWEST CORNER OF SAID PARCEL 14A: THENCE S89° 12'19"E ALONG THE SAID NORTH LINE OF PARCEL 14A FOR 1,352.65 FEET TO THE POINT OF BEGINNING.

SAID LANDS LYING IN THE TOWN OF MEDLEY, DADE COUNTY, FLORIDA, CONTAINING 233.263 ACRES, MORE OR LESS.

CERTIFICATE:

WE HEREBY CERTIFY THAT THIS SKETCH OF SURVEY AND OTHER PERTINENT DATA SHOWN HEREON, OF THE ABOVE DESCRIBED PROPERTY WAS MADE ON THE GROUND, CONFORMS TO THE MINIMUM TECHNICAL STANDARDS FOR LAND SURVEYING IN THE STATE OF FLORIDA, AS OUTLINED IN CHAPTER 61G17-6, (FLORIDA ADMINISTRATIVE CODE) ADOPTED BY THE DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION, BOARD OF PROFESSIONAL SURVEYO AND MAPPERS, PURSUANT TO CHAPTER 472.027, FLORIDA STATUTES AND THAT SAID SURVEY IS TRUE AND CORRE TO THE BEST OF OUR KNOWLEDGE AND BELIEF AS SURVEYED UNDER OUR DIRECTION.

DATE OF LAST FIELD WORK: 8-7-2000, 7-10-2001 (ADDED NW PORTION)

CRAVEN THOMPSON & ASSOCIATES, INC.
CERTIFICATE OF AUTHORIZATION NUMBER LB271

JON V. NOLTING
PROFESSIONAL SURVEYOR AND MAPPER NO. 4499
STATE OF FLORIDA

NOTES:

1. BEARINGS SHOWN HEREON ARE BASED ON AN ASSUMED BEARING OF N89°32'36"E ALONG THE SOUTH LINE SECTION 4, TOWNSHIP 53 SOUTH, RANGE 40 EAST.
2. ELEVATIONS SHOWN HEREON ARE BASED ON THE NATIONAL GEODETIC VERTICAL DATUM (NGVD) OF 1929.
3. BENCHMARK REFERENCE: "LEHIGH AZ." A USGCS BRASS DISC, LOCATED AT THE NORTHEAST CORNER OF BRIDGE, 52' SOUTHWEST OF THE CENTERLINE OF U.S. 27 AT 105TH WAY. ELEVATION = 9.80
4. THE DESCRIPTION SHOWN HEREON WAS PROVIDED BY WASTE MANAGEMENT OF FLORIDA, INC.
5. THERE WERE NO LOCATIONS DONE IN THE PREPARATION OF THIS SURVEY EXCEPT THE ENCROACHMENT OF THE GUN RANGE ALONG THE WEST BOUNDARY.

OTHERWISE

Exhibit II
Project Participants

- Team Members Supplemental Data
- Other Ameresco Electrical Generation Under Development

Corporate Location

Ameresco, Inc.
111 Speen Street, Suite 410
Framingham, MA 01701
Phone: 508.661.2200
Fax: 508.661.2201

Regional Locations

4133D Mohr Avenue
Pleasanton, CA 94566
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Fax: 925.426.3077

Torrington Mill
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Westfield, MA 01085
Phone: 413.568.2445
Fax: 413.568.2583

49 Union Wharf
Portland, ME 04101
Phone: 207.842.6333
Fax: 207.842.6300

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Phone: 919.929.6080
Fax: 919.918.7799

103 Main Street
Cold Spring, NY 10516
Phone: 914.475.4393
Fax: 845.838.4710

1 Clinton Street
PO Box 1002
Tully, NY 13159
Phone: 315.696.0297
Fax: 315.696.9997

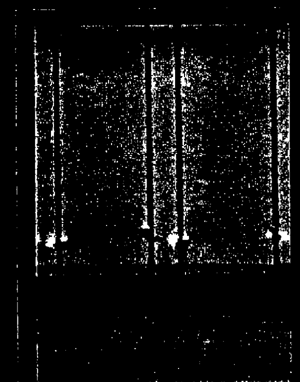
3314 SE 112th Avenue
Portland, OR 97266
Phone: 503.760.5478
Fax: 503.408.7224

116 Clay Street, NW
Suite B1
Auburn, WA 98001
Phone: 253.288.0500
Fax: 253.288.0523

AMERESCO
ENERGY SERVICES

Ameresco, Inc.
Point West Place, Suite 410, 111 Speen Street, Framingham MA 01701
Phone: 508.661.2200 1.866.AMERESCO Fax: 508.661.2201 www.ameresco.com

Connecting Our Customers To Superior Energy Solutions



AMERESCO
ENERGY SERVICES

Ameresco's Mission

George P. Sakellaris and his executive staff, working at Ameresco and other companies, have overseen the implementation of over 550 million dollars worth of energy services projects.

At Ameresco, we are dedicated to becoming the #1 Energy Services provider in the country, offering superior demand-side and supply-side solutions to our customers.

To fulfill this mission, we have based our corporate culture and business philosophy on the Five "I"s – Integrity, Intensity, Initiative, Intelligence and Innovation. The Five "I"s express our commitment to deliver on our promises, foster an entrepreneurial culture, maximize the value to our customers, offer the highest quality professional staff, and remain focused on providing innovative technological solutions.

Every one of our customers at Ameresco benefits from a powerful synergy of financial, technical and management expertise that is simply unparalleled.

We have brought together some of the best minds in the energy services industry to provide flexible and creative financing options, innovative problem solving and quality engineering. From finding new ways to reduce energy consumption to developing state-of-the-art cogeneration and renewable energy facilities, we offer solutions built around your specific needs.

Most importantly, at Ameresco we strive for 100% customer satisfaction in everything we do. We are a customer-driven company that delivers on our promises, treats customers with respect, and strives to exceed the guarantees we make to you.

With over 300 years of cumulative experience in the energy services industry, I am confident we can offer solutions that will minimize operating and maintenance costs, increase reliability and comfort, and achieve your expectations. We look forward to working with you.

Sincerely,

George P. Sakellaris
President & CEO

Ameresco – your bridge to a new century of energy solutions

Ameresco helps its customers save money, time and anxiety regarding the use and purchase of energy.

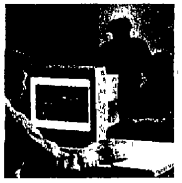
The strength of Ameresco is its experienced management team, industry knowledge, and proven methodologies that offer customers a way to reduce their energy costs while at the same time upgrading and maintaining the integrity of their facilities.

Ameresco offers customers a two-pronged approach to solving energy problems. First, after a detailed study of energy needs and use, conservation measures are implemented to increase efficiency and maximize energy and capital resources. Often, these conservation measures can be entirely self-funded from the resultant energy cost savings. Second, power requirements are closely examined and addressed to ensure proper power quality, reliability and additional cost savings.

As an employee-owned, independent company that is not part of a large utility, Ameresco is highly flexible in its approach and committed to choosing the most effective solutions for your organization. Our goal is to empower our customers to take control of their energy needs, so they can avoid unexpected costs, maximize efficiency and take advantage of real savings that flow directly to their bottom line.

Building a bridge to new ideas

Ameresco executives have over 300 years of combined experience in energy management. Led by the company's



founder and President, George P. Sakellaris, Ameresco executives have overseen and participated in the development, implementation and management of more than $550 million in energy services projects all over the world. Our experience in development, engineering, finance and construction management offers customers superior insight and knowledge in all areas of energy utilization and generation. Most importantly, we are dedicated to working carefully with you to understand your problems and develop the solutions that provide the best economic benefit to your organization.

Offering a bridge to advanced technologies

With our key understanding of the latest energy technologies, we can take your business to new heights of energy efficiency and reliability. From retrofitting the latest energy-efficient lighting solutions, to advanced load control and monitoring technologies accessible through the Internet, to building utility-grade power plants, we have all the technological expertise you need. We also offer experience in renewable energy technologies such as methane-fired power plants fueled by landfill gas, wind power and biomass energy generation. And since we are experienced in both buying and using energy, we can effectively apply these new technologies to address your total energy needs.

A bridge to the future

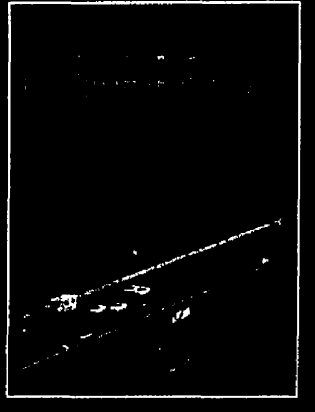
The way in which organizations both large and small deal with volatile energy issues has fundamentally changed. No longer can any organization – from a small educational institution to a large manufacturer – take the reliability and cost of energy for granted. In the future, those that fail to properly manage their energy assets, consumption, cost and reliability will simply not be able to successfully compete with those that do. Ameresco has the knowledge and capabilities necessary to bring your organization into the future with creative energy solutions – solutions that will give your business distinct advantages and allow it to be better positioned to compete in today's highly competitive marketplace.

Ameresco offers:

- Long-term, collaborative partnerships that provide value to our customers
- Financial strength and experience to skillfully control project outcomes
- Experience and capabilities to meet project schedules while meticulously managing timelines and costs

Proven methodologies combined with performance guarantees, training and on-going service.

By carefully leveraging its resources, Ameresco can offer customers energy conservation strategies that pay off in enhanced performance and measurable savings. From demand-side to supply-side strategies, Ameresco provides innovative solutions that positively impact your organization's bottom line.



Energy Conservation

Powerful conservation strategies

At Ameresco we believe in building partnerships with customers to understand their energy needs and consumption, then developing demand-side strategies that reduce waste and maximize savings. Our flexible approach to projects allows us to bridge gaps between a

customer's energy needs and the solutions that are advantageous to them Taking advantage of our knowledge, typical customers have cut their operating and maintenance costs by 25% or more with no up-front capital investment.

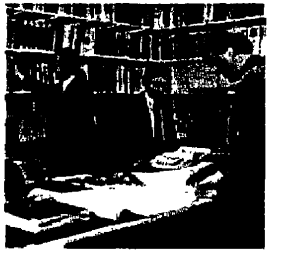
Comprehensive energy auditing

Understanding a customer's energy consumption begins with precise energy auditing. This can involve up to 130 different measures, taking into consideration heating, lighting, ventilation, air conditioning, motors, controls, conveyer systems – virtually any process or system that consumes energy or water. We also examine architectural infrastructure such as roofs and windows for excessive energy losses. After auditing, Ameresco then works with each customer to pinpoint opportunities and develop savings measures that will bring the desired results

Often, the auditing process will reveal energy management issues that need to be addressed. For example, in a campus style setting it may be more economical to utilize a central thermal loop rather than having thermal generators at each building. Sometimes, complete plant rehabilitation is the answer. Ameresco conservation projects typically span the full spectrum of energy technologies including energy-efficient lighting upgrades, premium efficiency motors, variable-frequency drives, thermal recovery and economizers, water conservation measures, energy management systems, HVAC optimization and other measures. After project completion, we carefully monitor, measure and verify the resultant savings for the customer.

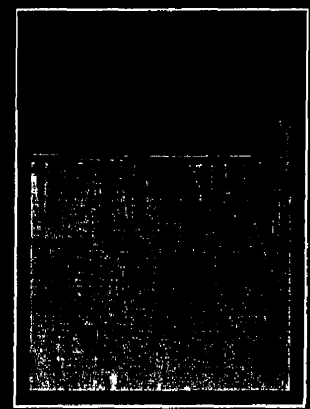
Savings contracts allow positive cash flow

Utilizing performance contracting, Ameresco can deliver a comprehensive conservation project that is entirely self-funding. The cost of the project is paid from the savings realized. This



approach will usually generate positive cash flow, since the customer avoids both the capital costs required to upgrade outdated facilities, and the annual costs required to repair and maintain those facilities. Ameresco is adept at securing financial incentives offered by utilities, as well as state and federally funded resources.

At Ameresco, we take a highly flexible yet disciplined approach to financing energy improvements, finding the most cost-efficient alternative that fits within our customer's requirements. Ameresco is prepared to arrange financing from a pool of third-party lenders Whatever the financial arrangement, performance guarantees and long-term savings contracts assure each customer of costs savings and cash flow benefits



Ameresco has the power to offer customers a wide range of solutions to their energy needs. From small and large cogeneration, hydro electric and renewable facilities that provide economical power, to creative financing arrangements that offer positive cash flow, Ameresco is at the forefront of providing innovative ideas to solve energy problems.

Power Generation

Connecting customers with superior supply-side solutions

Ameresco is dedicated to providing a wide range of energy plant development, design, construction and management services for onsite energy generation and power plant operation. Our management team has provided supply-side solutions for utilities, governments, independent power producers and many different industries We strive to bridge the difference between what a customer needs and what their budget allows by coupling innovative financing with economical power solutions.

Turnkey power generation

Our comprehensive energy solutions range from boiler replacements to state-of-the-art cogeneration facilities that can provide all or part of a customer's electrical and thermal requirements. Depending on needs, cogeneration facilities can be sized anywhere from 1 to 50 MW and possibly larger.

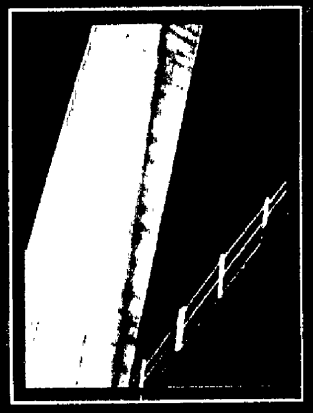
Ameresco can advise customers in the design, construction and financing of their energy infrastructure, and we can also develop, finance, own and operate these facilities. Through a long-term partnership, Ameresco sells the electricity, steam, hot water and/or chilled water produced from the system back to the customer. The customer always has the option to purchase the plant outright

Unique power-producing expertise

Ameresco has made a commitment to enter the large-scale power-producing marketplace by developing or acquiring independent power-producing projects that range from 5 - 500 MW in size Our knowledge allows us to operate these energy-producing assets more efficiently and pass along the savings to our customers. Ameresco employees have designed, developed, built, operated and maintained more than thirty independent power plants all over the world, including oil-fired, bio-mass, gas, coal, geothermal, wind and hydro facilities

Innovative financing

By not owning and operating their own energy facilities, customers benefit in a number of ways. They enjoy a more modern, cost-effective and environmentally conscious facility; and avoid using critical capital to build energy-related assets, costly long-term financing and amortization, and the expenses and risks of running their own facility. Customers also enjoy greater reliability and the ability to purchase power at below-market rates Businesses using cogeneration facilities can also sell unused power back to the utility grid, offsetting their purchases. Ameresco is experienced at utilizing the concept of Asset Monetization to benefit customers. Through Asset Monetization, Ameresco purchases customers' existing energy infrastructure and then sells the energy produced back under a long-term contract. This provides immediate liquidity for energy assets and offers significant cash-flow benefits Regardless of the financial arrangement, contractual guarantees with Ameresco provide assurance that customers will realize significant cost savings



The foundation of Ameresco's success lies in its strong management team. With years of experience in demand-side management, energy savings performance contracts, cogeneration facilities, renewable energy sources and power plant development, financing, construction and operations, they have the knowledge to offer the right solution to any energy problem.

Management Team

Proven leadership

Ameresco was founded by George P. Sakellaris, chief executive of one of the premier energy services companies in the United States. Mr. Sakellaris has been a pioneer in the energy service business since 1980 and is well respected as a prominent leader in the energy services industry.

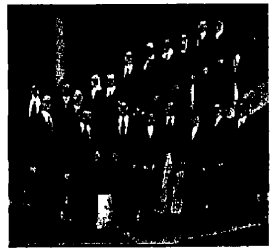
A wealth of energy services knowledge

Every member of Ameresco's executive staff offers many years of industry experience, representing a combined total of over 300 years in the energy services industry. This experience provides clients with an unparalleled resource of dedicated knowledge to draw upon. Ameresco executives are experienced in demand-side management, energy savings performance contracts, cogeneration facilities, renewable energy sources and power plant development, financing, construction and operations. This experience allows Ameresco to bridge the knowledge gap between their customers' objectives and state-of-the-art solutions to energy challenges.

In addition, many Ameresco executives have worked side-by-side with Mr. Sakellaris as well as each other at different energy services companies. This allows clients to enjoy the benefits of a proven team that has and will continue to rely on each other for support and direction when solving problems. Our engineering staff is also highly knowledgeable, with many years of experience ranging from energy efficient systems to power plant design and construction.

Long-term partnerships that deliver results

All professionals at Ameresco believe in the founding philosophy of establishing long-term partnerships with our customers. Ultimately, these partnerships yield focused solutions, competitive advantages in the marketplace and an improved bottom line for our customers. Most importantly, all members of the staff are committed to delivering on their promises and have the track record to prove it. In fact, over the course of the past 20 years, Mr. Sakellaris and Ameresco executives have overseen and participated in the design, development, implementation and management of more than $550 million in energy services projects.



Lower row, left to right
George Sakellaris, Peter Wallis, Lillian Kamalov, William Bartovics, Janice DeBarros, Peter Christakis, Dean Lebron

Top row, left to right
David Corrsin, Joseph Price, Douglas Botha, Alan Wintler, Paul Rapanello, David Anderson, Carl Spitza, Steve Morgan, Kevin Sullivan, Kathleen De Jin Pizzarro, John Martin, Michael Baker

Citizens Conservation Services

Reaching new heights in performance contracting

Citizens Conservation Services is a wholly owned subsidiary of Ameresco, whose primary focus is performance contracting for both public and private residential multi-family housing. Services provided by Citizens include water and energy conservation measures, assessment and recommendation for financing, design and engineering, construction management and savings guarantees. The capital improvements realized are paid from the water and energy savings.

Leveraging key resources provides added value

Citizens believes in leveraging resources to maximize the capital improvement packages for its customers. Citizens is highly skilled in securing utility efficiency program incentives and utility rate discounts, and integrating these with client resources to secure additional outside subsidies and financing. This provides efficiency measures such as metering conversions, window replacements, roof insulation and cogeneration facilities which would otherwise not be justified by their payback period alone. Citizens is particularly adept at blending sources of public and private financing to leverage capital improvements in large, multi-family facilities.

A nationwide leader in PHA performance contracting

Since 1982, Citizens has developed and implemented more energy services contracts in the public housing sector than any other Energy Services Company (ESCO) in North America. Executed contracts have involved project capital in excess of $50 million over the last five years alone. In fact, Citizens brokered the first public housing authority (PHA) performance contract in the country in the early 1980's. Citizens' customers now include some of the largest PHAs in the country including New York, Chicago and Oakland as well as smaller ones in Dover, New Hampshire and Ft. Pierce, Florida. Citizens has more experience than any other ESCO in the nation with PHA projects and is thoroughly familiar with the annual HUD financial reporting requirements and the collection of the savings stream for debt repayment. Most importantly, Citizens is unmatched in offering viable, long-term energy conservation strategies for public and private residential property owners.

Citizens offers:

- Comprehensive energy analysis and auditing
- Energy-based financing, including tax-exempt financing
- Structuring of HUD assistance and operating subsidies to achieve maximum contractual savings
- Development of complete engineering designs, drawings and specifications for improvements
- Training of facility staff for routine maintenance and operation of all improvements
- Resident education and training
- Electric to gas conversions
- Monitoring and guaranteeing savings

AMERESCO
E·N·E·R·G·Y S·E·R·V·I·C·E·S

Ameresco Corporate Backgrounder

Ameresco, Inc. was founded in April 2000 as a single-source provider of comprehensive energy solutions. By promoting demand-side and supply-side solutions, Ameresco works with its customers to reduce operating expenses, upgrade and maintain their facilities, improve occupancy comfort levels, increase energy reliability and enhance the environment. Ameresco's founders have created a company with an entrepreneurial spirit dedicated to customer satisfaction.

Through innovative technical services and flexible financial approaches, customers that partner with Ameresco can leverage the value of their energy infrastructure, while mitigating the risk of those assets. By providing two core business services of energy conservation and power generation, Ameresco affords its customers the chance to capitalize on energy opportunities and to focus on their organization's primary mission.

Ameresco's customers benefit from the experience and leadership of its strong executive management team, headed by the Company's founder, President and CEO, George P. Sakellaris, P.E. Mr. Sakellaris is a well known and highly respected executive in the energy services industry. In fact, Mr. Sakellaris is widely regarded as having pioneered the energy savings performance contracting (ESPC) concept in the Northeast which has become a cornerstone of the energy services industry. In 1981, under his guidance and leadership, NEES Energy implemented the first ESPC at the Mercantile Wharf in Boston, Massachusetts. Over the course of the past 20 years, Mr. Sakellaris has overseen and participated in the development, implementation and management of more than $550 million in energy projects ranging from independent power production in Southeast Asia and Central America to nationally-known utility demand-side management programs.

Under the executive management team's leadership, Ameresco strives to follow these five guiding principles in all aspects of its business:

Integrity, Intensity, Initiative, Intelligence, Innovation

111 SPEEN STREET • SUITE 410 • FRAMINGHAM, MA 01701
PHONE: 508-661-2200 • FAX: 508-661-2201

Ameresco is committed to employing the industry's best trained, and most talented and experienced professionals. Members of Ameresco's personnel have developed and implemented energy services contracts involving project capital of over $550 million in just the past five years. In fact, the management team alone represents a combined 300 years of relevant experience in the energy industry.

Ameresco personnel's project experience includes energy conservation activities with Fortune 500 aerospace and automotive manufacturers, public and private school systems, state and municipal governments, large universities, and government agencies such as housing authorities, the United States Department of Energy, and the United States Department of Defense. Mr. Sakellaris leads a talented team experienced in energy conservation and power generation, who have been involved with the successful acquisition and/or implementation of numerous large power plant contracts. These generation projects include power, steam, cooling and cogeneration facilities worldwide, located in Asia, Europe, North America and South America. This experience and leadership is invaluable as Ameresco continues to strive to offer its customers the highest level of quality while delivering superior services.

Ameresco has developed the staff and service offerings to meet the needs of organizations in a variety of market segments. Ameresco is well positioned to serve the following customer market segments:

Institutional

- Universities and Colleges
- Public and Private Schools
- Hospitals and Health Services

Governmental

- Federal and State Owned Facilities
- School Districts and Municipal Facilities

Utilities

- Power Generation
- Distribution and Transmission Facilities
- Renewable Power Generation

Commercial and Industrial

- Supermarkets and National Chain Retailers
- Manufacturers
- Commercial Real Estate
- Hotel and Entertainment

Housing

- Public Housing Authorities
- Multi-family Private Housing

EUA Citizens Conservation Services, Inc., a wholly owned subsidiary of Ameresco, is the leading energy services company serving the public housing and multi-family residential market in the United States.

Ameresco is also affiliated with Public Power International, Inc. (PPI) through common ownership. PPI is an independent power producer that develops, constructs, finances and manages electric power plants both in the U.S. and internationally.

One of Ameresco's most unique features is that it is 40 percent employee-owned , which fosters the desire to provide high quality and superior services to our customers. Ameresco is headquartered in Framingham, Massachusetts, and currently employs over 70 individuals. The company expects continued significant growth.

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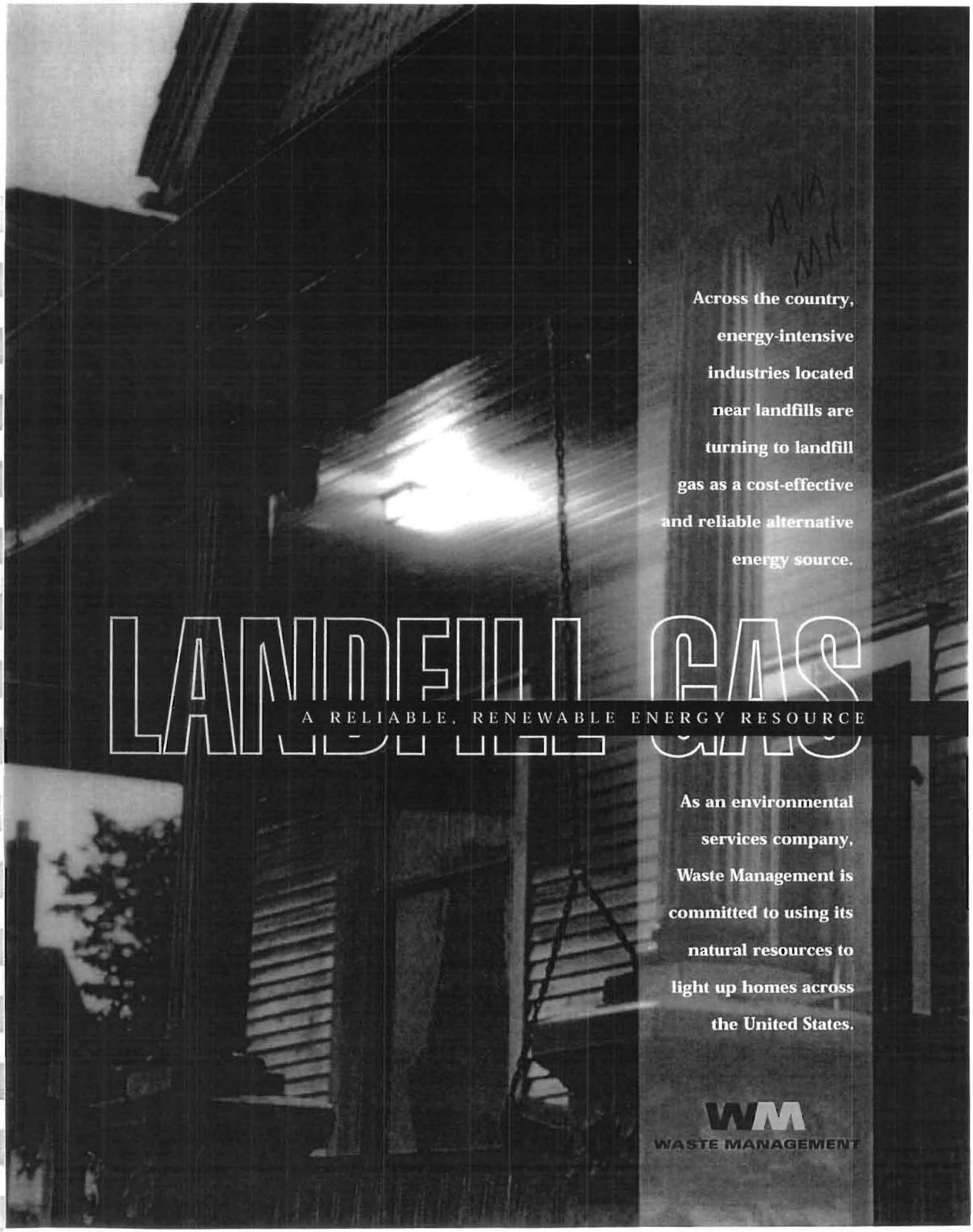


Across the country, energy-intensive industries located near landfills are turning to landfill gas as a cost-effective and reliable alternative energy source.

LANDFILL GAS

A RELIABLE, RENEWABLE ENERGY RESOURCE

As an environmental services company, Waste Management is committed to using its natural resources to light up homes across the United States.

WM
WASTE MANAGEMENT

GREEN POWER

Converting Landfill Gas to Energy

Every day, approximately five pounds of solid waste is generated for every man, woman and child in the United States. Every evening, some of that waste that is deposited in Waste Management landfills is used to light up homes across the country.

The process begins with the disposal of organic-rich solid waste into sanitary landfills. As the waste decomposes, methane gas is produced. This gas is recovered by a series of wells that are drilled into the landfill. The wells are interconnected by a common collection system that transports the gas to a compression facility. There, the gas is compressed, dried and filtered before being sent through turbines or engines to produce electricity. Alternatively, for direct-use applications, landfill gas is delivered offsite to industrial customers and used as an alternative fuel source.

Landfill gas production is largely dependent on the life of the landfill, but typically continues for approximately 20 to 30 years once the solid waste is placed in the landfill. Landfill gas that is not consumed or beneficially used is burned in a flare as it is generated by the landfill, since it cannot be stored for later use.

Using Landfill Gas is a Win/Win Opportunity

Landfill gas has lived up to its promise of being a reliable and economical form of energy. The Federal Environmental Protection Association (EPA) has endorsed landfill gas as an environmentally friendly energy resource.

Today, there are more than 300 landfill gas projects in the United States and an additional 200 projects in development. These projects include landfill gas-to-energy projects and medium Btu projects.

Gas-to-Energy Projects: In landfill gas-to-energy projects, the gas is compressed, dried and filtered before being sent through turbines or engines. Utilities, power cooperatives and retail customers use landfill gas to fuel these turbines or engines, which, in turn, generate electricity. A typical facility will generate enough power to serve approximately 3,000 homes.

Medium Btu Projects: In medium Btu projects, industrial customers use landfill gas directly to fuel boilers and furnaces. Typically, the end-users of medium Btu gas modify their operations to allow the burning of landfill gas and natural gas. This multi-fuel capability allows for the safe and convenient use of landfill gas in boiler and furnace operations.

These projects—whether gas-to-energy or medium Btu projects—benefit the environment by using a renewable form of energy to offset the need for non-renewable resources such as coal, oil, natural gas and nuclear energy.

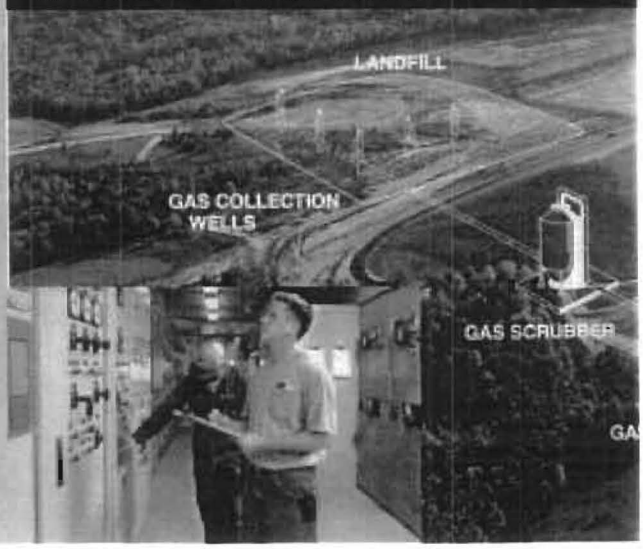
Proven Experience

For more than 15 years, Waste Management has combined its state-of-the-art technology with its environmental and operations expertise to provide communities with an energy resource that is produced naturally and is readily available.

Waste Management built its first two landfill gas-to-energy facilities in Wisconsin in 1985. Two years later, the company built its first medium Btu gas plant in Ohio. Currently, Waste Management has gas-to-energy and medium Btu plants operating in the following states:

California	*Connecticut*	*Florida*
Georgia	*Illinois*	*Indiana*
Iowa	*Kentucky*	*Massachusetts*
Michigan	*Minnesota*	*New Hampshire*
New York	*Ohio*	*Oregon*
Pennsylvania	*Tennessee*	*Texas*
Virginia	*Washington*	*Wisconsin*

A TYPICAL LANDFILL GAS-TO-ENERGY



LANDFILL METHANE OUTREACH PROGRAM

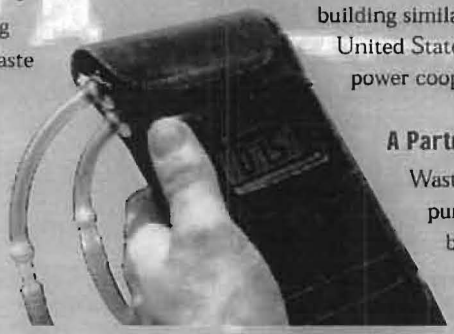
1999 EPA LMOP Industry Ally of the Year

Waste Management was named the EPA's 1999 Landfill Methane Outreach Program (LMOP) Industry Ally of the Year. The company was one of seven Allies, Partners and individual landfill gas-to-energy projects honored by the EPA for outstanding efforts to promote landfill gas-to-energy projects.

Industries and businesses that have initiated landfill gas-to-energy projects have received numerous awards for their concern and awareness for the environment.

A Leader in the Waste Industry

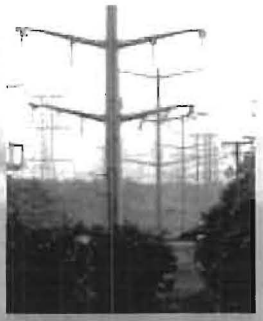
Waste Management, a leading provider of comprehensive waste management services, owns and operates more than 300 sanitary landfills. Waste Management views landfill gas projects as another step in the environmentally sound management of municipal solid waste. With more than 15 years of experience in landfill gas testing, extraction, plant operations and marketing, Waste Management has successfully permitted, designed, built and operated both medium Btu gas plants and gas-to-energy systems.



A Partner in Business

Landfill gas is being used to power homes and businesses across the United States. Gas from Waste Management landfills is being used by major automotive companies, chemical companies, utilities and power cooperatives in 21 states.

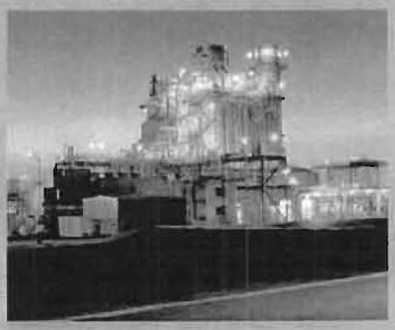
Waste Management recently announced an agreement with Reliant Energy, based in Houston, Texas, to develop 12 landfill gas-to-energy projects in Texas. Reliant will build and operate power plants on Waste Management's landfill sites. In return, Waste Management will provide landfill gas to power the engines that convert the gas into electricity. Waste Management is currently building similar relationships throughout the United States with other large utility and power cooperatives.



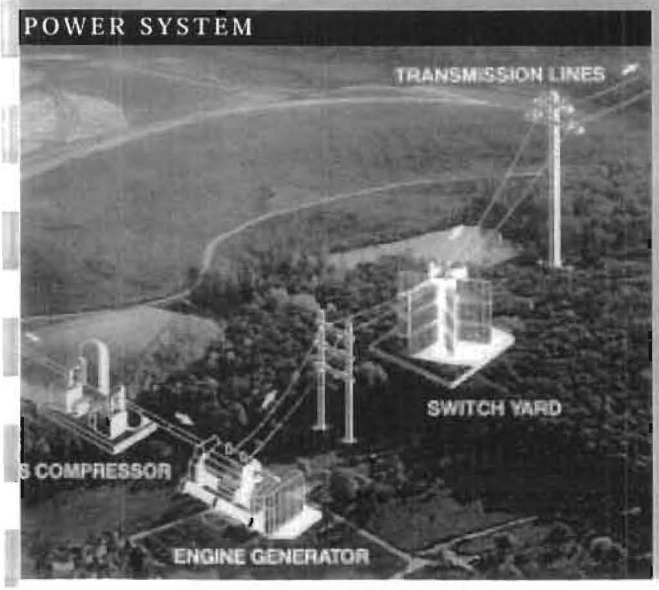
A Partner in the Community

Waste Management continues to pursue landfill gas projects that benefit the communities it serves. The following are two examples of how Waste Management is reaching out on a local level:

• At Waste Management's Grand Central Sanitary Landfill in Plainfield Township, Pa., Waste Management will supply landfill gas to an electric generation plant for area municipalities. The plant, to be built and operated by Waste Management, will be owned by Green Knight Economic Development Corp., a non-profit organization run by a volunteer board of representatives from three area school district municipalities. All revenue from the plant will be used to pay for local economic development initiatives.



• When Waste Management closed its Rumble I and Rumble II landfills in Missouri three years ago, it wanted to find a constructive use for some of the gas that was still being produced by the landfills. The company found a use for its green power—a greenhouse for students at the Fort Osage School District's Career and Technology Center near Sugar Creek, Mo. Waste Management designed and built the greenhouse and continues to supply the gas to heat it—at no cost to the school district.



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Maine
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New Hampshire
New Jersey
New York
Ohio
Pennsylvania
Virginia
Vermont
West Virginia

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WM
WASTE MANAGEMENT

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Colorado
Illinois
Indiana
Iowa
Kansas
Michigan (upper peninsula)
Minnesota
Missouri
Montana
Nebraska
North Dakota
South Dakota
Utah
Wisconsin
Wyoming

BIO-ENERGY PARTNERS

Portfolio: Full ownership in 31 operating landfill-methane-fired plants totaling 142 MW.

Focus: Bio-Energy Partners, a joint-venture company of Waste Management Inc. (WMI) and Caterpillar Financial Services Corp., builds, owns and operates methane-fired plants at landfills owned or operated by WMI.

Gas plant equipment is skid-mounted so units can be expanded or contracted to match changing methane production levels.

Corporate History: Bio-Energy Partners was formed in 1987 as a 50-50 partnership between WMI and Caterpillar Financial Services. WMI, which is Bio-Energy's managing partner, was founded in 1968 and became a public company in 1971.

Affiliates: WMI is the parent company of Wheelabrator Environmental Systems . WMI provides project development, operation, and administration services, while third-party vendors provide design and construction services.

Number of Employees: Five at WMI headquarters and another 40 at operating plants.

Country Involvements: Only in the U.S.

Partnerships: WMI and Caterpillar have an exclusive agreement, so there are no other partners.

Projects: Names, locations, sizes, fuels, power buyers and on-line dates are as follows:

In operation—

- CSL; Pompano Beach, Fla.; 11.3 MW; methane; Florida Power & Light; 1989; Bio-Energy Partners (BEP) 100%. Recently added 2.2 MW heat recovery steam turbine
- Lake; Northbrook, Ill.; 9.3 MW; methane; Commonwealth Edison (ComEd); 1988; BEP 100%.
- Greene Valley; Naperville, Ill.; 9.3 MW; methane; ComEd; 1996; BEP 100%.
- Omega Hills; Germantown, Wis.; 7.2 MW; methane; Wisconsin Electric Power (WEPCO); 1987; BEP 100%.
- CID; Calumet City, Ill.; 6.2 MW; methane; ComEd; 1989; BEP 100%.
- Metro; Franklin, Wis.; 6.4 MW; methane; WEPCO; 1987; BEP 100%; BEP 100%.
- DFW; Lewisville, Texas; 6.2 - MW; methane; Texas Utilities and Texas-New Mexico Power; 1988; BEP 100%.
- Stowe (Pottstown); Pottstown, Pa.; 6.2 MW; methane; PECO Energy; 1989; BEP 100%.
- Altamont; Livermore, Calif.; 9.3 MW; methane; Pacific Gas & Electric; 1989; BEP 100%.
- Settler's Hill; Batavia, Ill.; 6.2 MW; methane; Geneva Municipal Electric Utility; 1989; BEP 100%.
- Turnkey 2; Rochester, N.H.; 6.2 MW; methane; Public Service New Hampshire; 1998; BEP 100%.

• Metro Methane Recovery; Mitchelville, Iowa; 6.4 MW; methane; Midwest Power; 1993; BEP 100%.
• Lake View; Erie, Pa.; 6.0 MW; methane; GPU Energy; 1997; BEP 100%.
• Monroe-Livingston; Scottsville, N.Y.; 3.2 MW; methane; Energy Cooperative of NY; 1989; BEP 100%.
• Turnkey; Rochester, N.H.; 3.2 MW; methane; New England Power; 1992; BEP 100%.
• New Milford; New Milford, Conn.; 3.1 MW; methane; Connecticut Light & Power; 1991; BEP 100%.
• Twin Bridges; Danville, Ind.; 3.2 MW; methane; Wabash Valley Power; 1994; BEP 100%.
• Prairie View; Wyatt, Ind.; 3.2 MW; methane; Wabash Valley Power; 1994; BEP 100%.
• Chestnut Ridge; Heiskill, Tenn.; 3.2 MW; methane; Knoxville Utilities Board; 1992; BEP 100%.
• High Acres; Fairport, N.Y.; 3.2 MW; methane; New York State Electric & Gas; 1991; BEP 100%.
• Deercroft; Michigan City, Ind.; 3.2 MW; methane; WVP; 1995; BEP 100%.
• Metro 2; Franklin, Wis.; 3.0 MW; methane; Alliant; 1999; BEP 100%.
• Milam; Fairmont City, Ill.; 2.4 MW; methane; Union Electric; 1991; BEP 100%.
• Pheasant Run; Bristol, Wis.; 2.4 MW; methane; WEPCO; 1992; BEP 100%.
• Pheasant Run 2; Bristol, Wis.; 3.2 MW; methane; Alliant; 1999; BEP 100%.
• BJ Landfill; Norcross, Ga.; 2.4 MW; methane; Oglethorpe Power; 1993; BEP 100%.
• Wheeler; Wheeler, Ind.; 1.6 MW; methane; landfill gas; WVP 1997; BEP 100%.
• Tazewell; East Peoria, Ill.; 2.4 MW; methane; Alcoa; 1989; BEP 100%.
• Kankakee; Chebanse, Ill.; 1.6 MW; methane; ComEd; 1992; BEP 100%.
• Woodland; S. Elgin, Ill.; 1.6 MW; methane; ComEd; 1992; BEP 100%.
• Venice Resources; Lennon, Mich.; 2.4 MW; methane; Consumers Energy; 1994; BEP 100%.

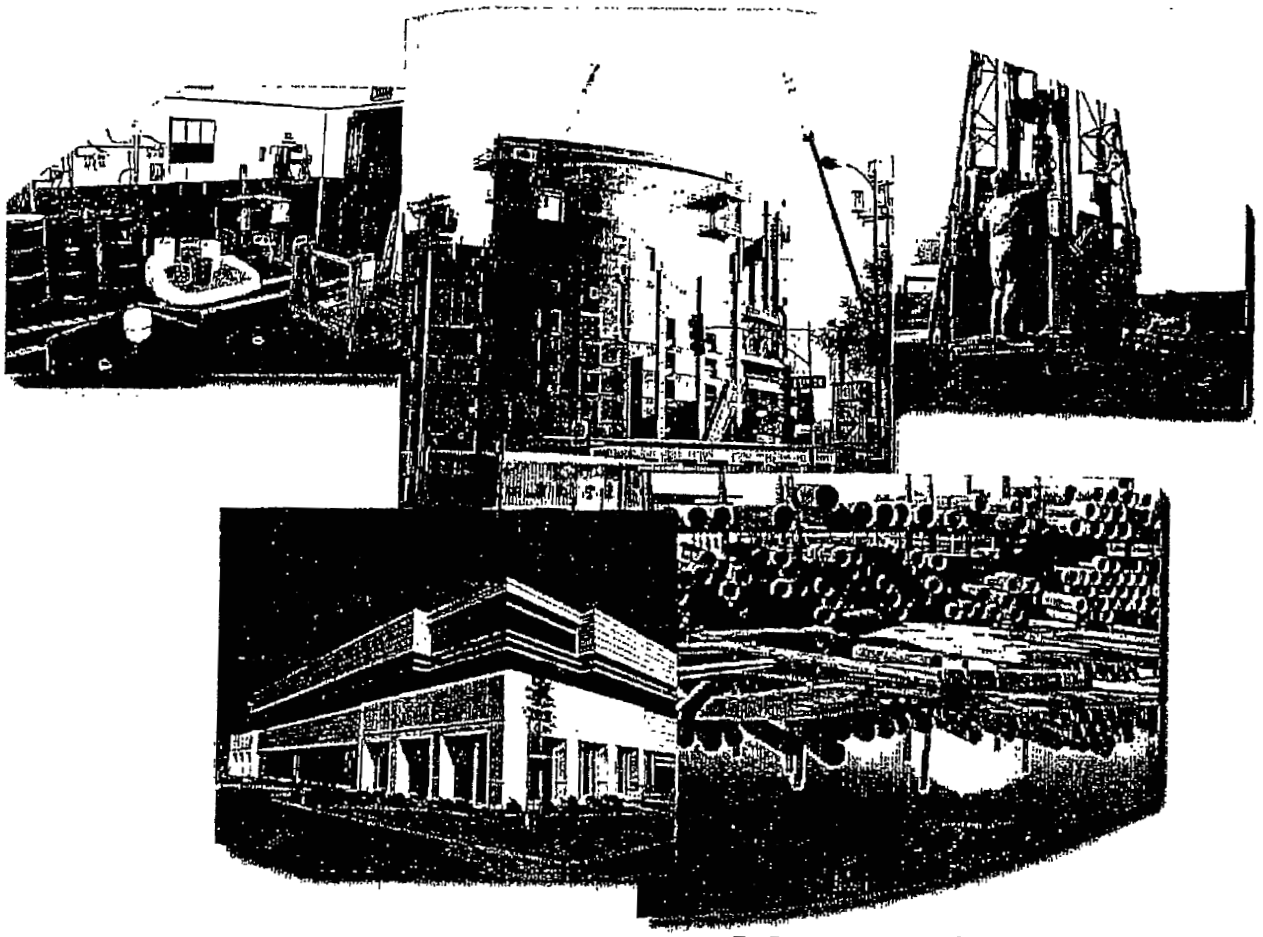
Energy Information: Bio-Energy Partners expects to recover and utilize 28-billion cubic feet of landfill gas in 2001 to produce 924,000 MWh of energy sold at an average rate of about 3.3 cents/kWh.

Business Relationships: Legal work has been performed by Freddi Greenberg, Evanston, Ill.

Contacts: Bio-Energy Partners: Jerry Leone, director, landfill gas programs, 863 Victor Road, Victor, N.Y. 14564; phone, (716) 742-2784; fax, (707) 248-0194; e-mail: jleone@wm.com.

Waste Management Inc.: Maurice Myers, president and chief executive officer, 1001 Fannin, Suite 4000, Houston, Texas, 77002; phone, (713) 512-6200; fax, (713) 512-6299.

SCS ENGINEERS



About Our Company

In 1970, our founders established SCS Engineers with simple values emphasizing professionalism, sharing ownership, and collegial approaches to problem-solving. Since that time, we have maintained unique focuses in solid waste and environmental services. We are proud to be one of the oldest environmental consulting and construction firms in the world, and proud of our status as one of the largest employee-owned environmental firms in the industry.

OUR COMPANY

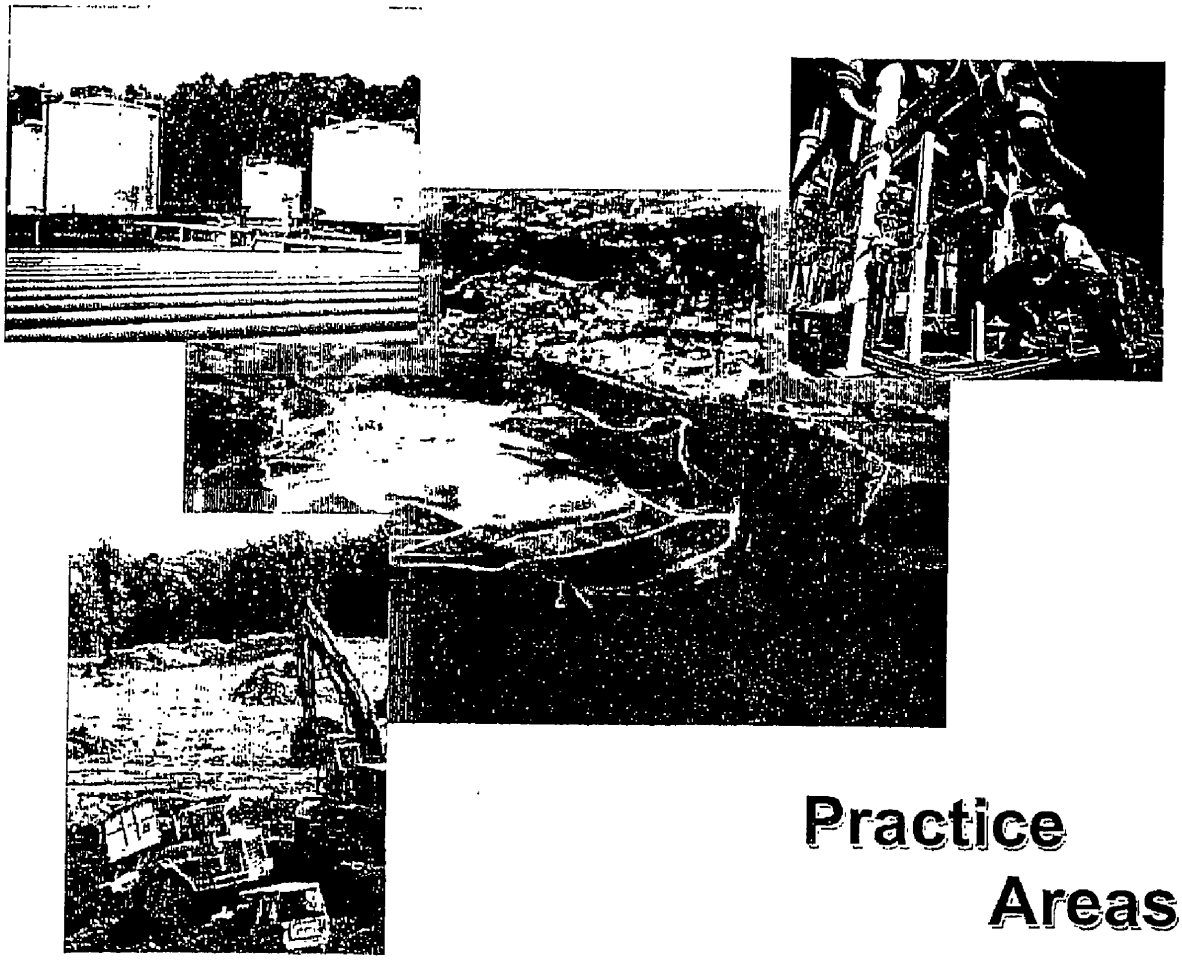
In an age where consolidations, mergers, and public ownerships of environmental firms are common, we are proud to be one of the oldest and largest firms in the industry still operated like a professional service firm instead of strictly as a business. SCS Engineers is completely owned by its employees, and virtually all of our senior managers are licensed professionals in one or more jurisdictions. We are an engineering and construction firm that solves environmental problems. We approach your environmental problems as if they were our own.

Our professional practice began in 1970 as a small firm in Long Beach, California that has since grown to more than 350 employees. Today, the firm serves a range of private, municipal, and industrial clients from more than 24 offices in the United States and South Pacific.

Organizationally, our company is simple. We make it easy for our Project Managers to work with our national experts when needed for a specific project, and our entire management approach is project-centered. In other words, we offer practical solutions that fit an individual need, not just cookie cutter services. And, we make sure you receive unmatched quality work, on time, and within budget.

A VISION FOR THE FUTURE

Our mission is to serve clients by providing quality professional services directed toward **environmental protection** *and the* **conservation of resources.** *We aspire to be a leading authority for practical solutions to the environmental needs of our clients.*



Practice Areas

Our professional practice has focused in two broad practice areas since 1970...environmental services and solid waste. And, in 1985 we established SCS-Field Services, a wholly-owned subsidiary to provide design-build, construction, and operation and maintenance services for environmental control systems. The work we do is divided almost evenly between private industry and local, state, and Federal government agencies.

SCS ENGINEERS

Solid Waste Services

SOLID WASTE SERVICES INCLUDE...

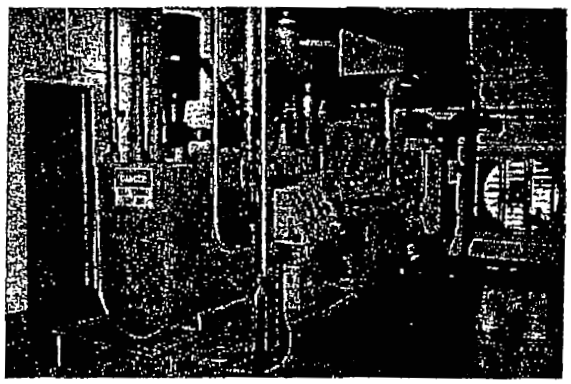
- Greenhouse Gas and Green Power
- Landfill Air Emissions and Permitting
- Landfill Bioreactors
- Landfill Closure and Post-Closure
- Landfill Design and Construction
- Landfill Gas Control and Recovery
- Redevelopment of Closed Landfills
- Solid Waste Hydrogeologic Services
- Solid Waste Planning
- Solid Waste Transfer Facilities
- Superfund Landfills

Solid Waste Management is the cornerstone of our professional practice. Whatever you call it...solid waste, refuse, or trash...we are constantly challenged to find more effective, more practical ways to deal with it. We employ the nation's top experts, many with careers extending over 25 years in the business. They know how to balance the often conflicting technical, financial, institutional, and legal issues inherent in solid waste programs. We can offer the economic and regulatory experience you need to be a "good neighbor" in your community, while keeping an eye on the bottom line.

SCS ENGINEERS

LANDFILL GAS TO ENERGY

Our challenge is to use a potentially harmful byproduct of waste disposal and produce a safe, efficient form of energy. From the relatively simple use of landfill gas to replace purchased natural gas, to more exotic power generation and vehicular fueling technologies, SCS Engineers can put landfill gas to work for you. Gas uses include compression and piping to local energy users such as boilers, furnaces, and engines; on-site power generation for gas turbines and steam cycles; on-site treatment to pipeline (high Btu) quality; and more. Our engineers work on hundreds of sites around the world to design, construct, and operate efficient landfill gas control and recovery systems.



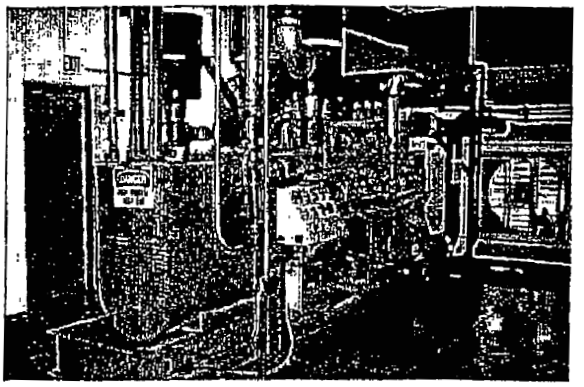
In addition to our landfill gas practice, SCS Engineers is experienced with subsurface gas hazard control, whether it emanates from a landfill, natural gas seepage, pipeline leak, or natural soil deposit. We respond quickly to public emergencies and assess public and/or occupant safety, initiate a site investigation, and design a protective system to control the situation.

OUR LANDFILL GAS TO ENERGY PRACTICE

- NPDES SWPPP preparation.
- NPDES sampling and reporting, if required.
- TESC plan preparation, construction and maintenance.
- Preparation of permit applications and studies for air, land use and construction.
- Design of on-site LFG piping.
- Constructor of on-site LFG piping.
- Design of off-site LFG or high graded gas pipelines.
- Constructor of off-site LFG or high graded gas pipelines.
- Design of on-site civil works (grading, roads, storm water, water, leachate).
- Construction manager for LFG utilization facility.
- Facility start-up and testing.
- Operation and maintenance of the LFG utilization facility for 5 years.

GREENHOUSE GAS AND GREEN POWER

Methane gas (the gas created by an active landfill) is twenty times more powerful than carbon dioxide in terms of its greenhouse effect. With even a simple "candlestick" open flare, we can reduce the greenhouse effect of landfill gas or methane by converting it to carbon dioxide. In fact, the greenhouse effect is reduced by as much as 95%.



SCS Engineers is actively involved in developing markets for "Greenhouse Gas" credits whereby municipal utilities that generate large quantities of carbon dioxide will pay landfill owners to install methane recovery systems. Methane that is recovered in this way can be sold as fuel, also. We are proud to be among the environmental firms pioneering our nation's efforts at promoting green power and reducing greenhouse gas emissions in order to combat global warming.

OUR GREENHOUSE GAS REDUCTIONS PRACTICE

- Estimate landfill methane generation rate and quantify greenhouse gas emissions potential
- Perform pump tests and gas characterization
- Arrange for sale of greenhouse gas credits
- Design, install, and operate landfill gas collection and flaring systems
- Design, install, and operate landfill gas utilization systems such as on-site power generation and medium-Btu applications
- Manage approval process and permitting

LANDFILL GAS CONTROL AND RECOVERY

Our challenge is to use a potentially harmful byproduct of waste disposal and produce a safe, efficient form of energy. From the relatively simple use of landfill gas to replace purchased natural gas, to more exotic power generation and vehicular fueling technologies, SCS Engineers can put landfill gas to work for you. Gas uses include compression and piping to local energy users such as boilers, furnaces, and engines; on-site power generation for gas turbines and steam cycles; on-site treatment to pipeline (high Btu) quality; and more. Our engineers work on hundreds of sites around the world to design, construct, and operate efficient landfill gas control and recovery systems.

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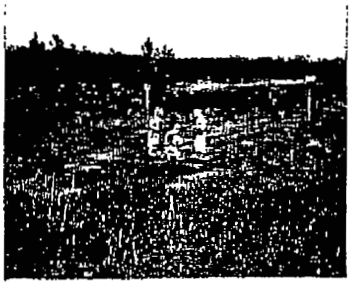
OUR LANDFILL GAS CONTROL AND RECOVERY PRACTICE

- Background research for landfill gas and natural gas hazards
- Design and permitting of landfill gas energy recovery facilities that include collection, treatment, and utilization systems as well as building protection systems
- Site investigation, drilling, subsurface vapor sampling, extraction pump tests and pilot programs
- Air quality analyses, modeling, and risk assessment
- Construction and construction oversight
- Start-up and balancing of systems
- Emergency response and on-site hazard assessment

LANDFILL AIR EMISSIONS AND PERMITTING



Air quality at landfills is a specialized area of expertise for SCS. We have performed New Source Performance Standards (NSPS) and Emission Guidelines (EG) projects at over 200 landfill sites, and have developed excellent working relationships with both the regulatory community, including the Environmental Protection Agency (EPA) and local air districts, as well as with site owners in the solid waste industry. We have a thorough understanding of air regulations that apply to landfills, and with our reputation in the industry, we influence state and local agencies in their proper interpretation.

We take a practical approach to finding air quality solutions. Our engineers recommend technology appropriate to your project, from complex, automated systems to simple, passive approaches.

OUR AIR EMISSIONS AND PERMITTING PRACTICE

- Compliance with NSPS and Emission Guidelines
- Title V Operating Permits
- Air emissions inventories and alternate operating scenarios
- Air quality assessments
- Air pollution control equipment evaluation and design, source testing and field monitoring
- Indoor air quality surveys
- Air dispersion modeling and risk assessment

LANDFILL CLOSURE AND POST-CLOSURE CARE

Proper landfill closure can minimize ongoing post-closure care while maximizing environmental protection and the ability to use the landfill site for productive purposes. Our approach to landfill closure offers landfill owners enhanced risk management, with proven time and cost savings.

Where desired, we offer single point-of-responsibility design, build, operate, and maintain services for landfill closure and post-closure care. We have access to innovative finance and insurance mechanisms to help manage costs and risks. Because SCS is a full-service firm, our design-build approach to landfill closure and post-closure care includes closure design, permitting, construction, quality assurance, certification, and operations and maintenance. Few firms can offer this turnkey capability. Plus, our resume includes complex engineering assignments such as closure of the Fresh Kills Landfill in New York (the world's largest landfill).

OUR LANDFILL CLOSURE AND POST-CLOSURE PRACTICE

- Site investigation and alternative analysis
- Landfill closure design, cost estimating, and plan preparation
- Permitting and consent order negotiations
- Construction oversight and construction quality assurance that includes resident engineer services
- Health and safety oversight
- Excavation, grading, compacting, and waste relocation
- Closure system installation including cover, gas, leachate collection, erosion and storm water control, and groundwater remediation
- Vegetation establishment
- Long-term post-closure operations, maintenance, and monitoring

AESE Inc.

Power Generation Design-Build Project Experience

Project	Owner	Project	Status
City of Riverside Riverside, CA	Alliance Power	Design build 80 MW peaker plant utilizing 8 GE 10MW turbines.	Awarded, Design start completion 3rd qtr 2002
NYPA (Landfill) Albany, NY	NYPA	Project manager the procurement and design of NYPA's first Landfill gas to Energy facility	COMPLETE
Chicopee (Landfill) Chicopee, MA	Ameresco	Full EPC design build and construction of a 5-6 MW landfill gas to energy project	Awarded, schedule to be complete by August 2002
NCWRP Energy Project, San Diego, CA	City of San Diego / NEO	Design, permit and build a 4 MW energy power plant using four IC engines	COMPLETE
Tajiguas (Landfill) Energy Project, Goleta, CA	County of Santa Barbara / NEO	Design, permit and build a 3 MW energy power plant using one IC engine	COMPLETE
Tacoma Energy Project, Tacoma, WA	City of Tacoma / NEO	Design, permit and build a 2 MW energy power plant using two IC engines	COMPLETE
BKK Energy (Landfill) Azusa, CA	BKK / NEO	Design, permit and build a Solar gas turbine energy power plant.	COMPLETE
Texas (Landfill) Various sites	Reliant Energy	Design, permit, build Landfill Gas power plants at 6 sites in Texas. Work in progress.	Awarded, under design, completeion scheduled for 4th quarter 2002
Woodville(Landfill) Woodville, CA	County of Tulare / NEO	Design and permit a 0.8 MW energy power plant,	COMPLETE
Spartech La Mirada, California	Spartech Plastics	Design, permit, and build 4MW energy power plant using 2 IC engines	COMPLETE
City of Colton Colton, CA	Alliance Power	Mechanical design and construction of 8-10 MW turbines	COMPLETE

AESE is a general contractor with design-build expertise. We possess General Contractors' license and engineering registrations in almost all states in USA.

Project Name	Capacity	Owner	Contract Amount	% Complete	Scheduled Completion Date
Montana Wind Harness	150 MW	Ameresco JV	(1)	(1)	2003
Port Authority of Sacramento	90 MW	Ameresco	$ 67 Million	Under Development	2004
Al Turi LFGTE	5.0 MW	Ameresco	$5 Million	100.00%	In operation
Anderson LFGTE	3 2 MW	Ameresco	$4 3 Million	Under Development	December-02
Cherokee LFGTE	1 0 MW	Ameresco	$1.35 Million	Under Development	December-03
Chicopee LFGTE	5 7 MW	Ameresco	$7 7 Million	Permitting / Procurement	July-02
Dairyland LFGTE	4 8 MW	Ameresco	$6 5 Million	Under Development	October-02
Dekalb LFGTE	1 0 MW	Ameresco	$1 35 Million	Under Development	September-02
Oaks LFGTE	4 8 MW	Ameresco	$6.5 Million	Under Development	September-02
High Acres LFGTE	3 2 MW	Ameresco	$4 3 Million	Under Development	October-02
Lee LFGTE	10.7 MW	Ameresco	$14.5 Million	Under Development	July-03
PLMB LFGTE	4.8 MW	Ameresco	(2)	(2)	August-02
Additional LFGTE	90 MW	Ameresco	(3)	(3)	(3)

Notes
("LFGTE" is defined as Landfill Gas-to-Energy)
(1) This contract is subject to confidentiality agreement that Montana Wind Harness holds with Montana Power at their request
(2) This contract is subject to confidentiality agreements among the involved partners.
(3) These additional LFGTE projects are subject to confidentiality agreements that Ameresco holds with each customer at the customer's request; therefore, Ameresco cannot disclose any information regarding these projects without each customer's explicit approval

Exhibit III
Fuel Supply

- Medley Landfill Gas Curve

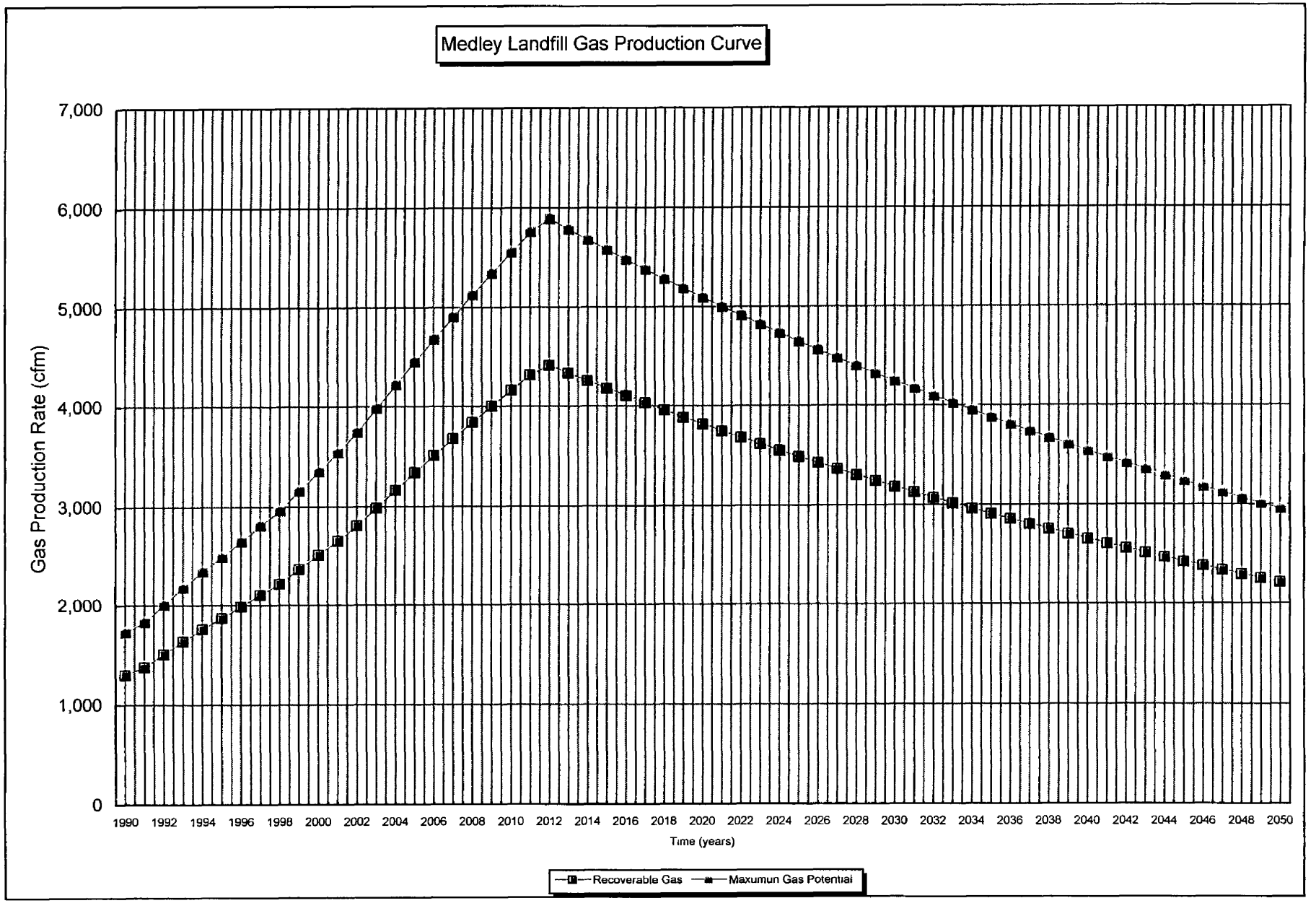

Medley Landfill Gas Production Curve
Gas Production Rate (cfm)
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
1990 1992 1994 1996 1998 2000 2002 2004 2006 2008 2010 2012 2014 2016 2018 2020 2022 2024 2026 2028 2030 2032 2034 2036 2038 2040 2042 2044 2046 2048 2050
Time (years)
Recoverable Gas
Maxumun Gas Potential

Exhibit IV
Plant Dispatchability/Controllability

(RESERVED)

Exhibit V
Siting and Licensing
(RESERVED)

Exhibit VI
Facility Development and Performance

- EPC/Operation Milestone Schedule
- Block Power Diagram
- Main Electrical One-Line Diagram

EPC/Operation Milestone Schedule

The following schedule is based from a Notice To Proceed date, for the time required to obtain all permits; engineer, procure and construct the plant; commission it; and bring it to commercial operating status.

- Meet with FPL to execute interconnection study agreement(within 2 weeks)
- Make available Construction Documents (Plans and Specs) (within 4 weeks)
- Submit Building Permit (within 6 weeks)
- Complete road access and rough site preparation (within 6 weeks)
- Begin mobilization and site construction (within 7 weeks)
- Subcontractor to deliver engines to site (18 weeks)
- Subcontractor to deliver plant electrical gear (within 24 weeks)
- Provide for LFG/condensate pipeline connections at plant boundary (within 21 weeks)
- Execute utility interconnection agreement and coordinate FPL interconnection (within 26 weeks)
- Subcontractor will be Substantially Complete and begin startup of plant (within 26 weeks)
- Complete all punchlist items and commissioning, and provide a plant capable of "Commercial Operation" (within 32 weeks)
- Perform emissions and noise testing to verify compliance with DEP permit (within 33 weeks)

Exhibit VII
Financial

- Project Pro-Forma Cash Flow
- Financial Statements

AMERESCO, INC.
Ameresco, Inc. Consolidated
Balance Sheet
As of December 31, 2001

	12/31/2001
ASSETS	
Current Assets	
Cash	$9,645,617
Accounts Receivable	$3,657,350
Unbilled Revenue	$3,314,335
Employee Advances - Commissions	$24,997
Employee Advances - Other	$6,372
Deferred Tax Benefit	$1,200,753
Other Current Assets	$261,510
Total Current Assets:	**$18,110,934**
Fixed Assets	
Plant	$5,125,321
Equipment	$645,201
Less: Accumulated Depreciation	($312,927)
Net Equipment:	**$5,457,595**
Equipment, PG&E Program	$3,517,071
Less: Accumulated Depreciation	($2,501,451)
Net PG&E Program:	**$1,015,620**
Step-Up PGE Program to FMV	$1,902,404
Less: Accumulated Amortization	($840,597)
Net PG&E Program step-Up:	**$1,061,807**
Capitalized Contract Cost - M&V	$635,489
Less: Accumulated Amortization	($156,473)
Net Capitalized Contract Costs:	**$479,016**
Total Fixed Assets:	**$8,014,038**
Other Non-Current Assets	
Project Development Costs	$3,001,221
Deferred Finance Cost	$403,167
Contract Rights, Net	$36,409
Goodwill	$934,860
Total Non-Current Assets	**$4,375,657**
TOTAL ASSETS:	$30,500,629

AMERESCO, INC.
Ameresco, Inc. Consolidated
Balance Sheet
As of December 31, 2001

	12/31/2001
LIABILITIES	
Current Liabilities	
Accounts Payable	$4,197,124
Accrued Interest - LOC	$248,417
Accrued Interest - Sub Debt	$132,890
Accrued Taxes	$341,637
Accrued Payroll & Benefits	$27,675
Deferred Revenue	$952,985
Energy Savings Payable	$244,192
Other Current Liabilities	$510,364
Total Current Liabilities:	**$6,655,284**
Non Current Liabilities	
Subordinate Note Payable # 1	$2,998,750
BCIA Loan Payable	$17,450,000
Deferred Purchase Accounting, CCS	$168,954
Total Non-Current Liabilities:	**$20,617,704**
Total Liabilities:	**$27,272,988**
Stockholders Equity	
Common Stock - Par	$238
Common Stock - Paid in Capital	$1,217,150
Preferred Stock - Par	$966
Preferred Stock - APIC	$3,219,034
Total Paid In Capital	**$4,437,388**
Retained Earnings, Beginning	($1,350,899)
Net Income (Loss)	$141,152
Dividends Declared	
Retained Earnings, Ending	($1,209,747)
TOTAL LIABILITIES AND EQUITY:	**$30,500,629**

AMERESCO, INC.
Ameresco, Inc. Consolidated
Income Statement
As of December 31, 2001

	12/31/2001
REVENUE	
ESPC - Public & Pvt Housing	$11,899,803
ESPC - Other Markets	$6,612,489
PG&E Program	$1,616,003
O&M, M&V Revenue	$611,019
Electric Sales	$2,447,442
Other	$139,088
Total Revenue	**$23,325,844**
CONTRACT EXPENSES	
Cost of ESPC Projects	$14,005,974
PG&E Program Depreciation	$507,810
M&V Monitoring Costs	$272,093
M&V Amortization	$54,384
Operating & Maintenance	$81,740
Landfill Lease	$487,844
Total Contract Expenses	**$15,409,845**
Gross Profit	**$7,915,999**
OPERATING EXPENSES	
Salary & Wages	$4,965,696
Employee Benefits	$618,373
Employee Taxes	$387,548
Less: Direct Labor Capitalized	($3,600,601)
Less: Reclass to O&M Expense	($132,368)
Total Labor Expense	**$2,238,648**
Project Development, Cost	$4,030,874
Less: Capitalized To PDC	($1,477,250)
Less: Cost To Contracts Costs	($848,662)
Project Development Expense	**$1,704,962**

SG&A Expenses:	
Rents & Occupancy Expense	$648,679
Telecommunication	$183,421
Marketing Expense	$123,263
Travel Expense	$182,988
Professional Fees	$254,352
Office Supplies & Expense	$53,385
Insurance	$288,568
Subscriptions, Licenses & Dues	$89,299
Equipment Rental & Repair	$36,586
Temporary Labor	$39,052
Delivery & Postage	$32,478
Printing	$14,688
Bad Debt Expense	$13,500
Miscellaneous	$8,397
Total Other SG&A	**$1,968,656**
Total Operating Expenses	**$5,912,266**
Operating Income	**$2,003,733**
Depreciation, Fixed Assets	$243,545
Amortization, Contract Rights	$28,978
Amortization, PG&E - Step Up	$530,904
Amortization, Goodwill	$29,836
Amortization, Finance Costs	$85,340
Amortization, Deferred Contract Cost	($182,828)
Amortization, Debt Discount	$131,930
E. B. I. T.	**$1,136,028**
Interest Expense - Line of Credit	$40,133
Interest Expense - Sub Debt # 1	$272,633
Interest Expense - BCIA	$762,364
Interest Income	($111,170)
Less: Capitalized Interest	($59,484)
Total Interest Expense, Net	**$904,476**
Net Income Before Taxes	**$231,552**
Income Taxes	$90,400
Net Income	**$141,152**

ARTHUR ANDERSEN

AMERESCO, INC.

Consolidated Financial Statements
as of December 31, 2000
Together with Auditor's Report

ARTHUR ANDERSEN

Report of Independent Public Accountants

To the Board of Directors of AMERESCO, Inc.:

We have audited the accompanying consolidated balance sheet of AMERESCO, Inc. (a Delaware corporation) as of December 31, 2000 and the related consolidated statements of operations, stockholders' equity and cash flows for the period from inception (April 25, 2000) to December 31, 2000. These financial statements are the responsibility of AMERESCO, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AMERESCO, Inc. as of December 31, 2000 and the results of its operations and its cash flows for the period from inception (April 25, 2000) to December 31, 2000 in conformity with accounting principles generally accepted in the United States.

Arthur Andersen LLP

Boston, Massachusetts
January 19, 2001

AMERESCO, INC.

Consolidated Balance Sheet
December 31, 2000

ASSETS		LIABILITIES AND STOCKHOLDERS' EQUITY	
Current Assets		Current Liabilities.	
Cash and cash equivalents	$ 196,624	Accounts payable	$ 967,350
Accounts receivable, net of allowance of $17,604	1,123,723	Accrued expenses	335,586
Costs in excess of billings	332,912	Current portion of accrued savings distribution	374,983
Prepaid expenses and other current assets	92,999	Billings in excess of cost	279,669
		Deferred income tax liability	14,352
		Income taxes payable	77,426
Total current assets	1,746,258	Total current liabilities	2,049,366
Property and Equipment, net	492,433	Long-term Debt	2,998,750
Capital Contract Costs	3,732,944	Accrued Savings Distribution, net of current portion	44,056
Deferred Tax Asset	729,704	Commitments and Contingencies (Note 10):	
Project Development Costs	471,444	Stockholders' Equity	
		Series A preferred stock--$0 0001 par value--	
Goodwill, net	964,675	Authorized—5,000,000 shares	
		Issued and outstanding—3,220,000 shares	3,220,000
Other Assets, net	35,065	Common stock--$0.0001 par value--	
		Authorized—30,000,000 shares	
		Issued and outstanding—2,008,334 shares	201
		Additional paid-in-capital	1,211,049
		Accumulated deficit	(1,350,899)
		Total stockholders' equity	3,080,351
Total assets	$ 8,172,523	Total liabilities and stockholders' equity	$ 8,172,523

The accompanying notes are an integral part of these consolidated financial statements.

AMERESCO, INC.

Consolidated Statement of Operations
for the Period from Inception (April 25, 2000) to December 31, 2000

Revenue	$ 5,100,158
Cost of Revenue	4,599,961
Gross profit	500,197
Selling, General and Administrative Expenses	2,435,394
Operating loss	(1,935,197)
Other Expense:	
interest expense, net	108,167
Loss on disposal of asset	22,887
Other expense	131,054
Loss before income taxes	(2,066,251)
Income Tax Benefit	715,352
Net loss	$ (1,350,899)

The accompanying notes are an integral part of these consolidated financial statements.

AMERESCO, INC.

Consolidated Statement of Stockholders' Equity
for the Period from Inception (April 25, 2000) to December 31, 2000

	Series A Preferred Stock		*Common Stock*		Additional Paid-in	Accumulated	Total Stockholder's
	Shares	Amount	Shares	Amount	Capital	Deficit	Equity
Balance, April 25, 2000	-	$ -	-	$ -	$ -	$ -	$ -
Issuance of common stock	-	-	1,558,334	156	1,211,094	-	1,211,250
Issuance of preferred stock	3,220,000	3,220,000	-	-	-	-	3,220,000
Three-for-one stock dividend	-	-	450,000	45	(45)	-	-
Net loss	-	-	-	-	-	(1,350,899)	(1,350,899)
Balance, December 31, 2000	3,220,000	$ 3,220,000	2,008,334	$ 201	$ 1,211,049	$ (1,350,899)	$ 3,080,351

The accompanying notes are an integral part of these consolidated financial statements.

AMERESCO, INC.

Consolidated Statement of Cash Flows
for the Period from Inception (April 25, 2000) to December 31, 2000

Cash Flows from Operating Activities:	
Net loss	$ (1,350,899)
Adjustments to reconcile net loss to net cash used in operating activities–	
Depreciation and amortization	88,071
Deferred taxes	(715,352)
Changes in operating assets and liabilities–	
Increase in accounts receivable	(215,719)
Increase in costs in excess of billing	(64,801)
Increase in prepaid expenses and other current assets	(76,788)
Decrease in capital contract costs	562,065
Decrease in project development costs	427,397
Increase in other assets	(35,065)
Decrease in accounts payable and accrued expenses	(522,153)
Increase in accrued savings distribution	140,742
Increase in billings in excess of cost	279,669
Increase in income taxes payable	77,426
Net cash used in operating activities	(1,405,407)
Cash Flows from Investing Activities:	
Purchase of fixed assets	(529,969)
Acquisition, net of cash acquired	(5,298,000)
Net cash used in investing activities	(5,827,969)
Cash Flows from Financing Activities:	
Proceeds from issuance of common stock	1,211,250
Proceeds from issuance of preferred stock	3,220,000
Proceeds from issuance of subordinated promissory note	2,998,750
Net cash provided by financing activities	7,430,000
Net increase in cash and cash equivalents	196,624
Cash and Cash Equivalents, beginning of period	-
Cash and Cash Equivalents, end of period	$ 196,624
Supplemental Disclosure of Cash Flow Information:	
Cash paid during the year for interest	$ 163,919
Acquisition, net of cash acquired–	
Capital contract costs	$ 4,295,009
Construction work in progress and project development costs	898,841
Accounts receivable	908,004
Other assets	284,322
Accounts payable and accrued expenses	(1,825,089)
Other liabilities	(278,297)
Goodwill	1,015,210
	$ 5,298,000

The accompanying notes are an integral part of these consolidated financial statements

(1) DESCRIPTION OF BUSINESS

AMERESCO, Inc. (the Company) was organized as a Delaware corporation on April 25, 2000. The Company is an energy services company that provides the following products and services to its clients: development, construction and operation of power-generation facilities, including co-generation and independent power plants; energy conservation and demand management through the implementation of energy-efficient technologies, equipment and programs to reduce energy consumption; asset monetization through the purchase or development and ownership of client's energy infrastructure, power quality and reliability; power procurement; and facilities management. The Company may design, install, own, operate, maintain and finance any or all of the products and services that it provides.

The Company is compensated through a variety of methods, including: periodic payments based on the cost savings realized by its clients over the contract term; the sale of energy from the Company's generating assets; direct payments based on fee-for-services contracts (utilizing lump-sum or cost-plus pricing methodologies); and rental or lease payments from its clients based on prescribed values.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. All significant transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates

Cash and Cash Equivalents

Cash equivalents include time deposits with maturities of three months or less when purchased.

Property and Equipment

Property and equipment, consisting primarily of office equipment, are recorded at cost. Major additions and improvements are capitalized as additions to the property and equipment accounts, while replacements, maintenance and repairs that do not improve or extend the life of the respective assets are expensed as incurred. Depreciation and amortization of property and equipment are computed on a straight-line basis over the following estimated useful lives:

Asset Classification	Estimated Useful Life
Computer equipment and software costs	5 years
Furniture and office equipment	5 years
Leasehold improvements	Lesser of term of lease or life of asset

Long-Lived Assets

The Company accounts for long-lived assets in accordance with Statement of Financial Accounting Standards (SFAS) No. 121, *Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of.* The Company's long-lived assets consist primarily of goodwill, property and equipment, project development costs and capital contract costs. SFAS No. 121 requires management to consider whether long-lived assets have been impaired by comparing gross future cash flows expected to be generated from utilizing these assets to their carrying amounts. If cash flows are not significant to recover the carrying amount of the assets, an impairment has occurred and the assets should be written down to their fair market value. Significant estimates and assumptions regarding future sales, cost trends, productivity and market maturity are standard. Based on current facts, estimates and assumptions, management believes that at December 31, 2000, no assets are impaired under this standard. There is no assurance that management's estimates and assumptions will prove correct.

Capital Contract Costs

Costs of materials, direct labor, interest costs, outside contract service and project development costs incurred in connection with the implementation of energy savings contracts are capitalized and amortized over the terms of the related contracts. Costs associated with turnkey contracts are accounted for under the percentage-of-completion method. Costs incurred on maintenance contracts are expensed when incurred.

Project Development Costs

In accordance with Statement of Position 98-5, *Reporting on the Costs of Start-Up Activities,* the Company capitalizes only those costs incurred in connection with the development of demand-side management, primarily direct labor, interest costs, outside contractor services, consulting fees, legal fees and travel, if incurred after a point in time where the realization of related revenue becomes probable.

Development costs incurred prior to the probable realization of revenue are expensed as incurred and are not recaptured from the income statement.

Interest Costs

The Company entered into a revolving credit agreement in July 2000 (see Note 5) The line of credit is available to be used for cash drawings and the issuance of letters of credit. Interest on borrowings under the loan is payable monthly in arrears and is calculated based on the bank's prime rate. The Company also incurs interest charges on long-term debt (see Note 5). The Company will allocate interest costs to certain projects under construction. During the period ending December 31, 2000, the Company capitalized approximately $32,800 in interest from these facilities.

Income Taxes

In accordance with SFAS No. 109, *Accounting for Income Taxes,* the Company recognizes deferred income taxes based on the expected future tax consequences of differences between the financial statement basis and the tax basis of assets and liabilities calculated using the enacted tax rates in effect for the year in which the differences are expected to be reflected in the tax return.

Financial Instruments

SFAS No. 107, *Disclosures about Fair Value of Financial Instruments*, requires disclosure about fair value of financial instruments. Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and long-term debt. The estimated fair value of these financial instruments approximates their carrying value.

Revenue Recognition

The Company recognizes revenue from energy savings contracts as energy savings are generated. Invoices are rendered to customers in accordance with contractual terms. Revenue from turnkey contracts is recognized on a percentage-of-completion basis. Maintenance revenue is recognized as related services are performed.

In accordance with industry practice, the Company includes in current assets and liabilities amounts related to construction projects realizable and payable over a period in excess of one year.

Billings in excess of costs represents advanced billings on certain construction contracts, as well as the Company's obligations to provide future maintenance over the life of certain contracts. Costs in excess of billings under customer contracts represents certain amounts earned and billable that were not invoiced at December 31, 2000.

(3) BUSINESS ACQUISITION

On May 25, 2000, the Company entered into a Stock Purchase Agreement by which the Company purchased all of the capital stock of EUA Citizens Conservation Services, Inc. (Citizens) for $5,298,000 on June 2, 2000. The acquisition has been accounted for by the purchase method of accounting and, accordingly, the purchase price has been allocated to the assets based on the estimated fair values at the date of acquisition. The excess of purchase price over the estimated fair values of the net assets acquired has been recorded as goodwill. The results of Citizens' operations since June 2, 2000 have been included in the accompanying consolidated statement of operations. The purchase price was allocated to the acquired net assets as follows:

Capital contract costs	$ 4,295,009
Construction work in progress	898,841
Accounts receivable	908,004
Costs in excess of billing	268,111
Other assets	16,211
Accounts payable	(829,699)
Accrued expenses	(823,817)
Other liabilities	(278,297)
Expenses incurred related to acquisition	(171,573)
Goodwill	1,015,210
	$ 5,298,000

Goodwill is amortized based on a straight-line basis over a period of 15 years. Amortization expense for the period ending December 31, 2000 is approximately $51,000.

(4) PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2000:

Computer equipment and software costs	$ 275,317
Furniture and office equipment	226,973
Leasehold improvements	27,679
	529,969
Accumulated depreciation and amortization	(37,536)
Property and equipment, net	$ 492,433

(5) LONG-TERM DEBT

Subordinated Note

In connection with the organization of the Company, on May 17, 2000, the Board of Directors authorized the Company to issue a Promissory Note to the Company's primary shareholder in the amount of $2,998,750. The Promissory Note bears interest at the rate of 8.00% per annum, payable monthly in arrears, and is subordinate to the Company's revolving credit facility, which was put in place with Citizens Bank of Massachusetts on July 31, 2000. The note is payable upon demand. The Company incurred approximately $129,000 in interest related to the Promissory Note during the period from inception to December 31, 2000. The Promissory Note has been classified as long-term in the accompanying consolidated balance sheet as the primary shareholder has agreed the note will not be called prior to January 1, 2002.

Revolving Credit Facility

On July 31, 2000, the Company entered into a Revolving Line of Credit Loan and Security Agreement (the Loan) with Citizens Bank of Massachusetts (the Bank). Under the terms of the Loan, the Bank has made available to the Company a revolving credit line of credit in the amount of $2,000,000. The Loan is secured by the assets of the Company and its subsidiary, EUA Citizens Conservation Services, Inc., is guaranteed by the Company's majority shareholder and is payable upon demand. The line of credit is available to be used for cash drawings and the issuance of letters of credit. Interest on borrowings under the loan is payable monthly in arrears and is calculated based on the Bank's prime rate. The Company incurred approximately $35,000 in interest related to the credit facility during the period from inception to December 31, 2000. At December 31, 2000, the Company did not have any balance outstanding on the line of credit, but had an outstanding letter of credit of approximately $217,000. The Company was in compliance or has received waivers related to all covenants as of December 31, 2000.

(6) INCOME TAXES

The income tax benefit for the period ending December 31, 2000 is as follows:

Current federal and state	$ 929,640
Deferred federal and state	(214,288)
	$ 715,352

The Company's deferred income tax assets and liabilities result primarily from tax carryforwards and temporary differences between financial reporting and tax recognition of deferred revenue and expenses, project development costs, depreciation, reserves and certain accrued liabilities. Deferred income tax assets and liabilities at December 31, 2000 consist of the following:

Deferred income tax assets	$ 1,167,110
Deferred income tax liabilities	(333,999)
Valuation allowance	(117,759)
	$ 715,352

A valuation allowance has been provided against the Company's deferred tax asset due to uncertainty as to when the benefits of the favorable tax attributes in future income tax returns will be realized. Realization of the remaining deferred tax asset is dependent on generating sufficient taxable income during the carryforward period. Although realization is not assured, management believes it is more likely that not that all of the remaining deferred tax asset will be realized.

(7) STOCKHOLDER'S EQUITY

Common Stock

In connection with the organization of the Company, on May 17, 2000, the Company issued 25,000 shares of common stock, par value $0.0001 for an aggregate amount of $1,250. The Company issued an additional 200,000 shares of common stock during September of 2000 for $10,000.

On October 19, 2000, the Company's Board of Directors approved an amendment to the Company's Certificate of Incorporation, by which the total number of shares of capital stock that the Company is authorized to issue was increased from 15,000,000 to 35,000,000, which shall consist of 30,000,000 shares of common stock, par value $0.0001, and 5,000,000 shares of preferred stock, par value $0.0001.

On October 27, 2000, the Company's Board of Directors approved a three-for-one stock split to be effected in the form of a 200% common stock dividend (the Stock Dividend). The Stock Dividend was made to common stockholders on November 1, 2000. The Company had 225,000 share outstanding upon payment of the stock dividend.

On December 22, 2000, the Company issued 1,333,334 shares of common stock for $1,200,000.

Preferred Stock

The Company issued 3,220,000 shares of Series A Preferred Stock (the Preferred Stock) during the period from inception (April 25, 2000) to December 31, 2000. The Preferred Stock was issued to several officers of the Company as well as a related party at a price of $1 per share.

The Preferred Stock is convertible, at the option of the holder, at any time and from time to time and without the payment of additional consideration by the holder, into such number of fully paid and nonassessable shares of common stock as is determined by dividing $1.00 by the Preferred Stock conversion price. The Preferred Stock conversion price was initially $1.00 at inception, but was subsequently reduced proportionately by the effect of the stock dividend discussed below. On any matter presented to the stockholders of the Company, each holder of outstanding shares of Preferred Stock is entitled to the number of votes equal to the number of whole shares of common stock into which the Preferred Stock are convertible.

The Company is not permitted to declare or pay any cash dividends on shares of Common Stock until the holders of shares of Preferred Stock have first received a cash dividend on each outstanding share of Preferred Stock in an amount at least equal to the product of the per share amount and the whole number of common shares into which such shares of Preferred Stock are then convertible. Additionally, all Preferred Stock holders receive preferential treatment in the event of the liquidation or dissolution of the Company. During the period ended December 31, 2000, the Company did not have any Preferred Stock converted into common stock, nor were any dividends declared.

(8) STOCK INCENTIVE PLAN

On October 27, 2000, the Company's Board of Directors approved the Company's 2000 Stock Incentive Plan (the Plan) and authorized the Company to reserve 6,000,000 shares of common stock for issuance under the Plan. The Plan provides for the issuance of restricted stock grants, incentive stock options and nonqualified stock options.

During the period from inception to December 31, 2000, the Company's Board of Directors authorized the Company to grant restricted stock awards pursuant to the Plan totaling 4,642,500 shares of restricted common stock. The Company granted these shares on December 27, 2000. Employees were required to exercise their option to purchase this restricted stock within 15 days of the date of grant. As of December 31, 2000, none of these options were exercised. Subsequent to year-end, 4,642,500 of restricted shares were purchased by employees.

(9) EMPLOYEE BENEFITS

The Company has salary reduction/profit sharing plans under the provisions of Section 401(k) of the Internal Revenue Code. The plans cover all employees who have completed the minimum service requirement, as defined by the plans. The plans require the Company to contribute 50% of the first 6% of base compensation that a participant contributes to the plans. Matching contributions made by the Company were approximately $31,400 for the period ending December 31, 2000.

(10) COMMITMENTS AND CONTINGENCIES

The Company entered into an operating lease agreement for office space on June 2, 2000. The lease had an expiration date of June 15, 2003 and was not renewable by the Company. On November 14, 2000, the Company and the landlord entered into a Lease Termination Agreement by which the subject lease terminated on December 31, 2000. The landlord paid the Company $70,000 as consideration for the Company's agreement to terminate the lease. The payment is in compensation of leasehold improvements with a net book value of $92,887. The loss on the disposal of the assets has been recorded in the accompanying consolidated income statement.

The Company leases its administrative offices. The leases are long-term noncancelable real estate lease agreements, expiring at various dates through fiscal 2007. The agreements generally provide either for fixed minimum rental payments and the payment of utilities, real estate taxes, insurance and repairs. Rent and related expenses for the period ending December 31, 2000 was approximately $180,000.

At December 31, 2000, the future minimum annual rental commitments under all long-term, noncancelable leases are as follows:

	Amount
Year Ending December 31,	
2001	$ 488,458
2002	484,357
2003	588,812
2004	523,855
2005	515,917
Thereafter	876,300
	$ 3,477,699

Legal Proceedings

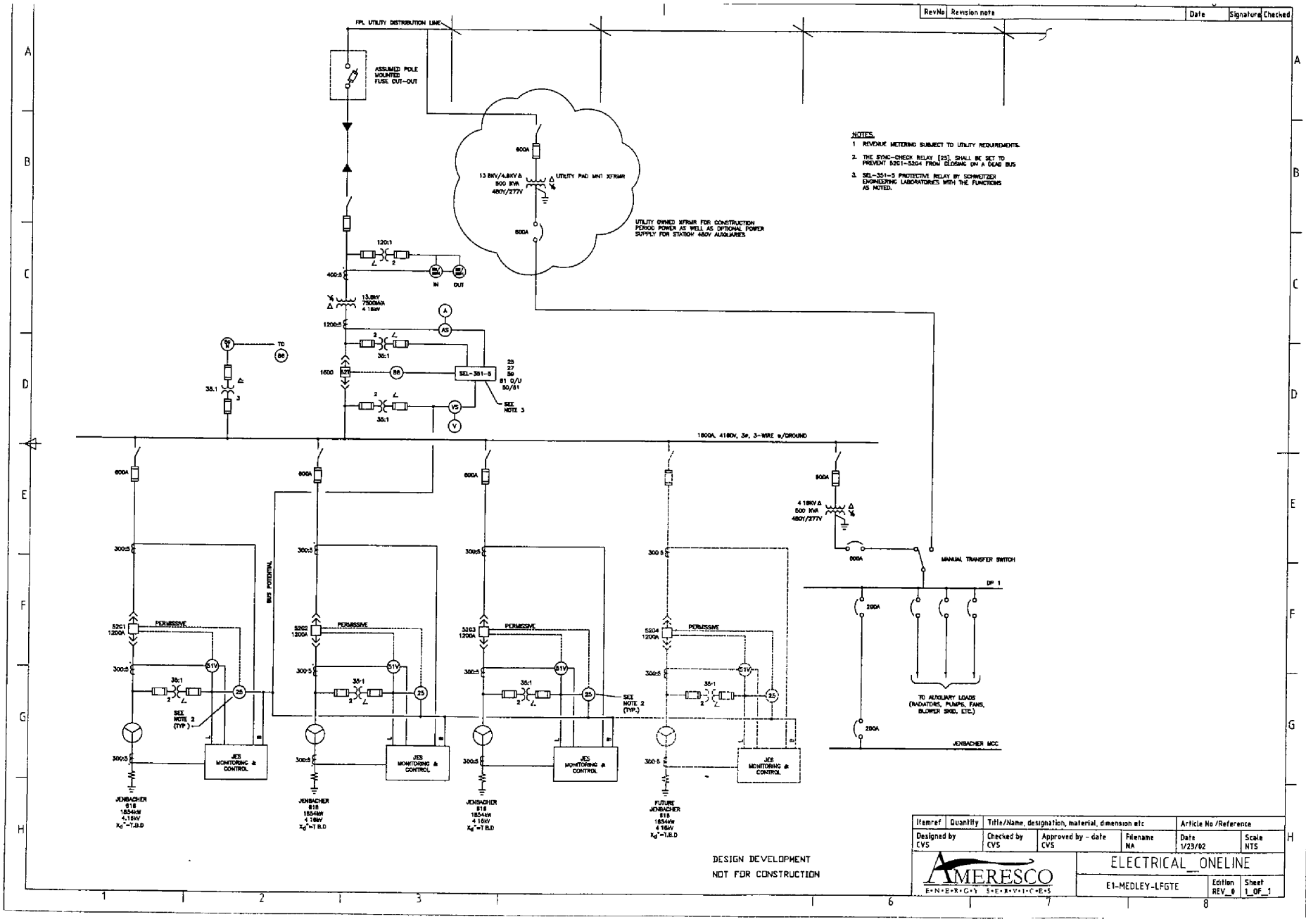
In the ordinary course of business, the Company may be involved in a variety of legal proceedings. In the opinion of management, there is no proceeding pending or threatened that in the event of an adverse decision would result in a material adverse change in the financial condition or results of the operations of the Company.

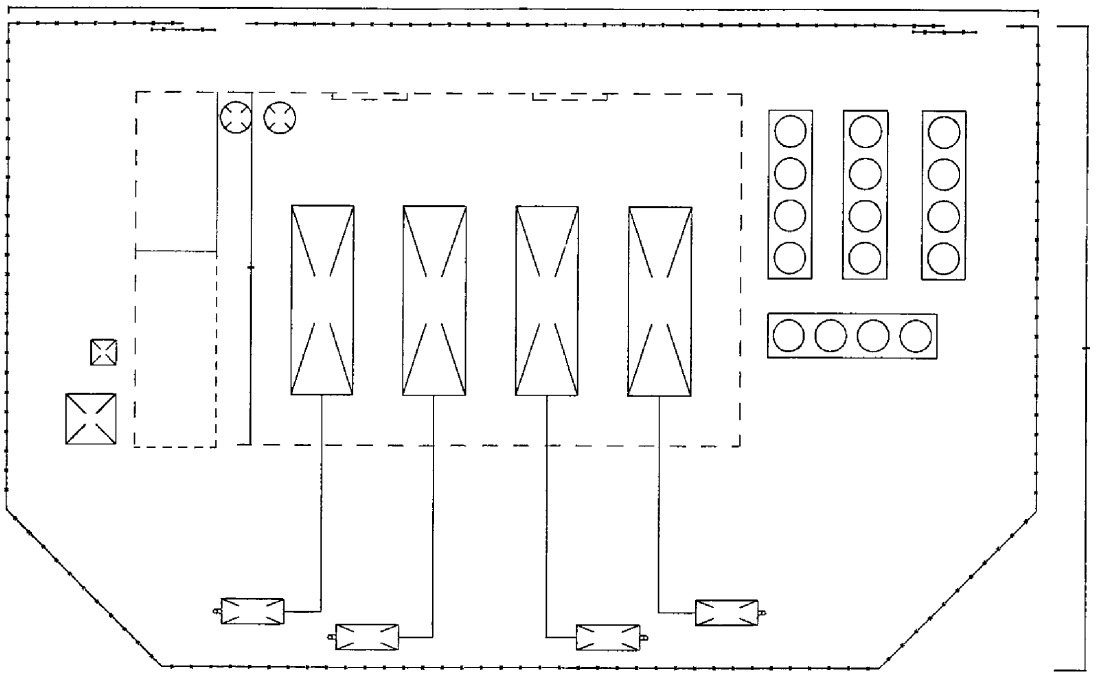
(11) RELATED PARTY TRANSACTIONS

The Company is related through common ownership to Public Power International, Inc. (PPI). The Company's sole shareholder is also the majority shareholder of PPI. PPI uses the Company's office space and there may be immaterial transactions between the Company and PPI that are reconciled through cash receipts and payments on a monthly basis. The Company does not have any ownership interest in PPI. There were no amounts due to or from related parties as of December 31, 2000.

(12) SIGNIFICANT CUSTOMERS

For the year ended December 31, 2000, revenues related to one customer were approximately $649,000, which accounted for 13% of total revenues for the year. SFAS No. 105, *Disclosure of Information about Financial Instruments with Off-Balance-Sheet Risk and Financial Instruments with Concentrations of Credit Risk*, requires the disclosure of any credit risk concentration. The Company has an asset recorded on their financial statements relating to future cash flows that was recorded during the purchase accounting of EUA Citizens Conservation Services, Inc. All payments are current as of December 31, 2000.


FPL UTILITY DISTRIBUTION LINE
ASSUMED POLE MOUNTED FUSE CUT-OUT
13.8KV/4.16KV Δ
500 KVA
480Y/277V
UTILITY PAD MNT XFRMR
UTILITY OWNED XFRMR FOR CONSTRUCTION PERIOD POWER AS WELL AS OPTIONAL POWER SUPPLY FOR STATION 480V AUXILIARIES
NOTES.
1. REVENUE METERING SUBJECT TO UTILITY REQUIREMENTS.
2. THE SYNC-CHECK RELAY (25) SHALL BE SET TO PREVENT 52G1-52G4 FROM CLOSING ON A DEAD BUS
3. SEL-351-S PROTECTIVE RELAY BY SCHWEITZER ENGINEERING LABORATORIES WITH THE FUNCTIONS AS NOTED.
SEL-351-S
25 27 59 81 O/U 50/51
SEE NOTE 3
1600A, 4160V, 3ø, 3-WIRE w/GROUND
PERMISSIVE
SEE NOTE 2 (TYP.)
BUS POTENTIAL
JES MONITORING & CONTROL
JENBACHER B18 1854kW 4.16kV Xd"=7.8Ω
FUTURE JENBACHER B18 1854kW 4.16kV Xd"=7.8Ω
4.16KV Δ
500 KVA
480Y/277V
MANUAL TRANSFER SWITCH
DP 1
TO AUXILIARY LOADS (RADIATORS, PUMPS, FANS, BLOWER SKID, ETC.)
JENBACHER MCC
DESIGN DEVELOPMENT
NOT FOR CONSTRUCTION
AMERESCO
ENERGY SERVICES
ELECTRICAL_ONELINE
E1-MEDLEY-LFGTE
Edition REV_0
Sheet 1_OF_1
Designed by CVS
Checked by CVS
Approved by - date CVS
Filename NA
Date 1/23/02
Scale NTS



DESIGN DEVELOPMENT
NOT FOR CONSTRUCTION

Itemref	Quantity	Title/Name designation, material, dimension etc			Article No /Reference	
Designed by CVS		Checked by CVS	Approved by - date CVS	Filename FILENAME	Date 1/25/02	Scale NTS

AMERESCO
ENERGY SERVICES

PLANT_GEN_ARRANGEMENT

MEDLEY_LFGTE | Edition REV_0 | Sheet 1_OF_1

Pro-Forma Cash Flow Analysis
Jenbacher 4 model 616

Debt Information

Total Capital Investment	$ 9,087,436
Percent of Debt	50%
Principal to be Financed	$ 4,543,718
Equity	$ 4,543,718
Term (years)	10
Interest Rate	8.0%
Monthly Payment	$ (55,128)
Annual Payment	$ (661,534)

Heat Rate LHV (Btu/kwh) without Clairs	9,395
Percent Parasitic Load	4%
Plant Availability	98%
LFG Quality (Btu/cf) LHV	450

Insurance

Equipment Insurance	1.50%	of Equipment Cost
Business Interruption Insurance	3.30%	of 6 months property tax insurance debt service
Liability Insurance	1.00%	of Revenue

O&M Information

Annual O&M ($/mwh)	$ 17.00	
Initial O&M Cost	$ 1,105,070	
Initial LFG Cost ($/mmbtu)	$ 0.25	yrs 1-15
Initial LFG Cost	$ 167,949	

Escalators

LFG Escalation	0%
O&M Escalation	3%
CPI(Tipping Fee and Steam Escalation)	3%

IRR	12.0%

Production and Fuel Summary

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Plant Maximum Capacity Rating -MCR (MW)		7,572	7,572	7,572	7,572	7,572	7,572	7,572	7,572	7,572	7,572	7,572	7,572	7,572	7,572	7,572
Plant output limited by Nox cap (MW)		7,572	7,572	7,572	7,572	7,572	7,572	7,572	7,572	7,572	7,572	7,572	7,572	7,572	7,572	7,572
Plant output limited by LFG availability (MW)		7,572	7,572	7,572	7,572	7,572	7,572	7,572	7,572	7,572	7,572	7,572	7,572	7,572	7,572	7,572
Maximum Capacity Allowed under Standard Offer (MW)		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Minimum Gross Capacity Offered to FP&L (MW)		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Gross Energy Production (mwh)		65,004	65,004	65,004	65,004	65,004	65,004	65,004	65,004	65,004	65,004	65,004	65,004	65,004	65,004	65,004
Net Energy Production (mwh)		62,165	62,165	62,165	62,165	62,165	62,165	62,165	62,165	62,165	62,165	62,165	62,165	62,165	62,165	62,165
5 MW Gross Energy Produced (100% Availability)		43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800
Energy Price ($/mwh) (includes O&M)		$ 41.98	$ 42.65	$ 43.20	$ 43.86	$ 44.42	$ 44.98	$ 45.55	$ 46.13	$ 46.72	$ 47.31	$ 47.81	$ 48.52	$ 49.13	$ 49.76	$ 50.39
Capacity rate/kw per month		$ 3.30	$ 3.40	$ 3.48	$ 3.55	$ 3.63	$ 3.71	$ 3.79	$ 3.87	$ 3.96	$ 4.04	$ 4.13	$ 4.23	$ 4.32	$ 4.41	$ 4.51
Steam Rate ($/lb)		$	$ -	$	$	$	$	$ -	$	$	$	$ -	$ -	$ -	$ -	$ -
Tipping Fees ($/ton)		$	$ -	$ -	$ -	$ -	$	$ -	$ -	$ -	$ -	$ -	$	$ -	$ -	$ -
Fuel Requirement at Predicted Run Rate LHV (mmbtu)		610,723	610,723	610,723	610,723	610,723	610,723	610,723	610,723	610,723	610,723	610,723	610,723	610,723	610,723	610,723
Plant LFG Requirement (scfm)		2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371
Predicted Recovered LFG (scfm)		3,000	3,167	3,334	3,501	3,668	3,835	4,002	4,169	4,336	4,500	4,400	4,300	4,200	4,100	4,000
Excess (deficient) Fuel Availability (mmbtu)		145,718	184,427	223,136	261,845	300,554	339,263	377,972	416,680	455,389	493,403	470,224	447,045	423,866	400,687	377,506
Potential (deficient) power from Excess (deficient) fuel (mw)		1.61	2.29	2.77	3.25	3.73	4.21	4.69	5.17	5.65	6.12	5.83	5.54	5.26	4.97	4.68
LFG sold HHV (mmbtu)		671,795	671,795	671,795	671,795	671,795	671,795	671,795	671,795	671,795	671,795	671,795	671,795	671,795	671,795	671,795

Pro-Forma Cash Flow Analysis

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Revenue																
Energy Sales (Minimum 5 MW at 100% Availability)		$ 1,838,876	$ 1,867,858	$ 1,892,186	$ 1,921,214	$ 1,945,588	$ 1,970,272	$ 1,995,268	$ 2,020,582	$ 2,046,217	$ 2,072,178	$ 2,098,467	$ 2,125,090	$ 2,152,051	$ 2,179,354	$ 2,207,004
Energy Sales (Above Minimum 5 MW at 100% Availability)		$ 771,042	$ 783,194	$ 793,395	$ 805,566	$ 815,787	$ 826,136	$ 836,618	$ 847,232	$ 857,981	$ 868,866	$ 879,889	$ 891,052	$ 902,357	$ 913,805	$ 925,398
Subtotal Energy Sales		$ 2,609,918	$ 2,651,052	$ 2,685,582	$ 2,726,780	$ 2,761,375	$ 2,796,408	$ 2,831,886	$ 2,867,814	$ 2,904,198	$ 2,941,043	$ 2,978,356	$ 3,016,143	$ 3,054,408	$ 3,093,159	$ 3,132,402
Capacity Sales (based on 5 MW at 100% Availability)		$ 198,156	$ 204,036	$ 208,740	$ 212,856	$ 217,560	$ 222,368	$ 227,282	$ 232,305	$ 237,439	$ 242,686	$ 248,049	$ 253,531	$ 259,134	$ 264,861	$ 270,714
Steam Sales		$ -	$ -	$ -	$ -	$	$	$	$ -	$ -	$ -	$	$	$	$	$
Tipping Fees		$ -	$ -	$ -	$	$ -	$	$	$	$	$ -	$ -	$ -	$ -	$ -	$ -
Total Revenue	$	$ 2,808,074	$ 2,855,088	$ 2,894,322	$ 2,939,636	$ 2,978,935	$ 3,018,776	$ 3,059,168	$ 3,100,119	$ 3,141,637	$ 3,183,729	$ 3,226,406	$ 3,269,674	$ 3,313,542	$ 3,358,020	$ 3,403,116
Expenses																
LFG Cost		$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)
Interconnection Charges																
O&M		$ (1,105,070)	$ (1,138,222)	$ (1,172,369)	$ (1,207,540)	$ (1,243,766)	$ (1,281,079)	$ (1,319,511)	$ (1,359,096)	$ (1,399,869)	$ (1,441,865)	$ (1,485,121)	$ (1,529,675)	$ (1,575,565)	$ (1,622,832)	$ (1,671,517)
Non Capital Expenses (e.g. Start Up, Spare Parts, etc.)	$ (30,000)															
Administration		$ (24,000)	$ (24,720)	$ (25,462)	$ (26,225)	$ (27,012)	$ (27,823)	$ (28,657)	$ (29,517)	$ (30,402)	$ (31,315)	$ (32,254)	$ (33,222)	$ (34,218)	$ (35,245)	$ (36,302)
Property Tax		$ (50,000)	$ (51,500)	$ (53,045)	$ (54,636)	$ (56,275)	$ (57,964)	$ (59,703)	$ (61,494)	$ (63,339)	$ (65,239)	$ (67,196)	$ (69,212)	$ (71,288)	$ (73,427)	$ (75,629)
Equipment Insurance		$ (56,638)	$ (58,338)	$ (60,088)	$ (61,891)	$ (63,747)	$ (65,660)	$ (67,630)	$ (69,659)	$ (71,748)	$ (73,901)	$ (76,118)	$ (78,401)	$ (80,753)	$ (83,176)	$ (85,671)
Business Interruption Insurance		$ (12,675)	$ (12,728)	$ (12,782)	$ (12,838)	$ (12,896)	$ (12,955)	$ (13,016)	$ (13,079)	$ (13,144)	$ (13,211)	$ (2,365)	$ (2,436)	$ (2,509)	$ (2,584)	$ (2,661)
Liability Insurance		$ (28,081)	$ (29,407)	$ (30,706)	$ (32,122)	$ (33,528)	$ (34,996)	$ (36,528)	$ (38,128)	$ (39,797)	$ (41,540)	$ (43,360)	$ (45,280)	$ (47,243)	$ (49,314)	$ (51,475)
Total Expenses	$ (30,000)	$ (1,444,413)	$ (1,482,864)	$ (1,522,400)	$ (1,563,201)	$ (1,605,174)	$ (1,648,425)	$ (1,692,994)	$ (1,736,921)	$ (1,786,249)	$ (1,835,020)	$ (1,874,363)	$ (1,926,154)	$ (1,979,526)	$ (2,034,526)	$ (2,091,206)
Gross Margin	$ (30,000)	$ 1,363,661	$ 1,372,225	$ 1,371,922	$ 1,376,435	$ 1,373,761	$ 1,370,351	$ 1,366,174	$ 1,361,198	$ 1,355,388	$ 1,348,710	$ 1,352,043	$ 1,343,520	$ 1,334,017	$ 1,323,494	$ 1,311,911
Plant Depreciation (SL)		$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)
Project Financing (Interest Only)		$ (347,884)	$ (322,791)	$ (295,692)	$ (266,425)	$ (234,816)	$ (200,678)	$ (163,810)	$ (123,992)	$ (80,989)	$ (34,545)	$ -	$ -	$	$	$ -
Income Before Taxes	$ (30,000)	$ 409,948	$ 443,604	$ 470,401	$ 504,181	$ 533,116	$ 563,844	$ 596,535	$ 631,377	$ 668,570	$ 708,335	$ 746,214	$ 737,891	$ 728,188	$ 717,665	$ 706,082
Income Taxes		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (463,736)	$ (525,666)	$ (540,817)	$ (537,408)	$ (533,607)	$ (529,398)	$ (524,764)
Net Income	$ (30,000)	$ 409,948	$ 443,604	$ 470,401	$ 504,181	$ 533,116	$ 563,844	$ 596,535	$ 631,377	$ 204,834	$ 182,670	$ 205,397	$ 200,283	$ 194,581	$ 188,267	$ 181,317
Plant Depreciation (SL)-Add Back		$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829
Less Project Financing Principal		$ (313,651)	$ (338,743)	$ (365,842)	$ (395,109)	$ (426,718)	$ (460,856)	$ (497,724)	$ (537,542)	$ (580,545)	$ (626,989)	$	$	$	$ -	$
Less Plant Investment	$ (9,087,436)															
Proceeds from Financing-Add Back	$ 4,543,718															
Net Cash Flow	$ (4,573,718)	$ 702,127	$ 710,691	$ 710,388	$ 714,901	$ 712,227	$ 708,817	$ 704,640	$ 699,664	$ 230,118	$ 161,510	$ 811,226	$ 806,112	$ 800,410	$ 794,096	$ 787,146

Taxable Income Analysis

	Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Totals
Income before taxes			$ 409,948	$ 443,604	$ 470,401	$ 504,181	$ 533,116	$ 563,844	$ 596,535	$ 631,377	$ 668,570	$ 708,335	$ 746,214	$ 737,891	$ 728,188	$ 717,665	$ 706,082	$ 9,165,750
Plant Depreciation (SL) add back			$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,828	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 9,087,436
ACRS Depreciation Table for 5yr			20.000%	32.000%	19.500%	11.520%	11.520%	5.760%										
Plant Depreciation (ACRS)			$ (1,817,487)	$ (2,907,979)	$ (1,772,050)	$ (1,046,873)	$ (1,046,873)	$ (523,436)	$ -	$ -	$ -	$ -	$ -	$ -	$ -			
Taxable Income before carryforward			$ (801,710)	$ (1,858,546)	$ (695,820)	$ 63,138	$ 92,073	$ 646,237	$ 1,202,364	$ 1,237,206	$ 1,274,399	$ 1,314,164	$ 1,352,043	$ 1,343,520	$ 1,334,017	$ 1,323,494	$ 1,311,911	$ (9,114,698)
Carryforward			$	$ (801,710)	$ (2,660,256)	$ (3,356,076)	$ (3,292,938)	$ (3,200,866)	$ (2,554,629)	$ (1,352,265)	$ (115,059)	$	$ -	$ -	$ -	$ -	$	
Taxable Income			$ (801,710)	$ (2,660,256)	$ (3,356,076)	$ (3,292,938)	$ (3,200,866)	$ (2,554,629)	$ (1,352,265)	$ (115,059)	$ 1,159,340	$ 1,314,164	$ 1,352,043	$ 1,343,520	$ 1,334,017	$ 1,323,494	$ 1,311,911	
Income Taxes	40.0%		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 463,736	$ 525,666	$ 540,817	$ 537,408	$ 533,607	$ 529,398	$ 524,764	$ 3,855,395

Debt Service

	Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Totals
Principal, beginning of period		$	$ 4,543,718	$ 4,230,067	$ 3,891,325	$ 3,525,483	$ 3,130,373	$ 2,703,655	$ 2,242,800	$ 1,745,076	$ 1,207,534	$ 626,989	$ 0	$ 0	$ 0	$ 0	$ 0	
Less principal payment		$ (4,543,718)	$ 313,651	$ 338,743	$ 365,842	$ 395,109	$ 426,718	$ 460,856	$ 497,724	$ 537,542	$ 580,545	$ 626,989	$ -	$ -	$ -	$ -	$ -	
Principal end of period		$ 4,543,718	$ 4,230,067	$ 3,891,325	$ 3,525,483	$ 3,130,373	$ 2,703,655	$ 2,242,800	$ 1,745,076	$ 1,207,534	$ 626,988	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
Total Debt Service	$ 661,534		$ 661,534	$ 661,534	$ 661,534	$ 661,534	$ 661,534	$ 661,534	$ 661,534	$ 661,534	$ 661,534	$ 661,534	$ -	$ -	$ -	$ -	$ -	$ 6,615,340
Less principal payment			$ (313,651)	$ (338,743)	$ (365,842)	$ (395,109)	$ (426,718)	$ (460,856)	$ (497,724)	$ (537,542)	$ (580,545)	$ (626,989)	$ -	$ -	$ -	$ -	$ -	$ (4,543,718)
Interest portion of debt service			$ 347,884	$ 322,791	$ 295,692	$ 266,425	$ 234,816	$ 200,678	$ 163,810	$ 123,992	$ 80,989	$ 34,545	$ -	$ -	$ -	$ -	$ -	$ 2,071,622
Debt Coverage			2.06	2.07	2.07	2.08	2.08	2.07	2.07	2.06	2.05	2.04						

Pro-Forma Cash Flow Analysis

Jenbacher 4 model 61E

Debt Information

Total Capital Investment	$ 9,087,436
Percent of Debt	50%
Principal to be Financed	$ 4,543,718
Equity	$ 4,543,718
Term (years)	10
Interest Rate	6.0%
Monthly Payment	$ (52,128)
Annual Payment	$ (661,534)

O&M Information

Annual O&M ($/mwh)	$ 17.00
Initial O&M Cost	$ 1,105,870
Initial LFG Cost ($/mmbtu)	$ 0.25 yes 1.15
Initial LFG Cost	$ 167,949

Heat Rate LHV (Btu/kwh) without Ctgrs	9,395
Percent Parasitic Load	4%
Plant Availability	95%
LFG Quality (Btu/cf) LHV	450

Escalators

LFG Escalation	0%
O&M Escalation	3%
CPI(Tipping Fee and Steam Escalation)	3%

Insurance

Equipment Insurance	1.50%	of Equipment Cost
Business Interruption Insurance	3.30%	of 6 months property tax insurance debt service
Liability Insurance	1.00%	of Revenue

IRR= 12.0%

Production and Fuel Summary

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Plant Maximum Capacity Rating -MCR (MW)		7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572
Plant output limited by Nox cap (MW)		7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572
Plant output limited by LFG availability (MW)		7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572	7.572
Maximum Capacity Allowed under Standard Offer (MW)		5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000
Minimum Gross Capacity Offered to FP&L (MW)		5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000
Gross Energy Production (mwh)		65,004	65,004	65,004	65,004	65,004	65,004	65,004	65,004	65,004	65,004	65,004	65,004	65,004	65,004	65,004
Net Energy Production (mwh)		62,165	62,165	62,165	62,165	62,165	62,165	62,165	62,165	62,165	62,165	62,165	62,165	62,165	62,165	62,165
5 MW Gross Energy Produced (100% Availability)		43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800
Energy Price ($/mwh) (Includes O&M		$ 41.98	$ 42.65	$ 43.60	$ 43.66	$ 44.42	$ 44.86	$ 45.50	$ 46.13	$ 46.72	$ 47.31	$ 47.91	$ 48.52	$ 49.13	$ 49.76	$ 50.39
Capacity rate/kw per month		$ 3.30	$ 3.40	$ 3.46	$ 3.55	$ 3.63	$ 3.71	$ 3.78	$ 3.87	$ 3.96	$ 4.04	$ 4.13	$ 4.23	$ 4.32	$ 4.41	$ 4.51
Steam Rate ($/lb)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Tipping Fees ($/ton)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fuel Requirement at Predicted Run Rate LHV (mmbtu)		610,723	610,723	610,723	610,723	610,723	610,723	610,723	610,723	610,723	610,723	610,723	610,723	610,723	610,723	610,723
Plant LFG Requirement (scfm)		2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371	2,371
Predicted Recovered LFG (scfm)		3,000	3,167	3,334	3,501	3,668	3,835	4,002	4,169	4,336	4,500	4,400	4,300	4,200	4,100	4,000
Excess (deficient) Fuel Availability (mmbtu)		145,718	184,427	223,136	261,845	300,554	339,263	377,972	416,680	455,389	493,403	470,224	447,045	423,866	400,687	377,508
Potential (deficient) power from Excess (deficient) fuel (mw)		1.81	2.29	2.77	3.25	3.73	4.21	4.69	5.17	5.65	5.12	5.83	5.54	5.26	4.97	4.68
LFG sold HHV (mmbtu)		671,795	671,795	671,795	671,795	671,795	671,795	671,795	671,795	671,795	671,795	671,795	671,795	671,795	671,795	671,795

Pro-Forma Cash Flow Analysis

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Revenue																
Energy Sales (Minimum 5 MW at 100% Availability)		$ 1,838,876	$ 1,867,858	$ 1,892,186	$ 1,921,214	$ 1,945,582	$ 1,970,272	$ 1,995,288	$ 2,020,582	$ 2,046,217	$ 2,072,178	$ 2,098,467	$ 2,125,090	$ 2,152,051	$ 2,179,354	$ 2,207,004
Energy Sales (Above Minimum 5 MW at 100% Availability)		$ 771,042	$ 783,194	$ 793,398	$ 805,566	$ 815,787	$ 826,136	$ 836,618	$ 847,232	$ 857,981	$ 868,866	$ 879,888	$ 891,052	$ 902,357	$ 913,805	$ 925,398
Subtotal Energy Sales		$ 2,609,918	$ 2,651,052	$ 2,685,582	$ 2,726,780	$ 2,761,370	$ 2,796,408	$ 2,831,886	$ 2,867,814	$ 2,904,198	$ 2,941,043	$ 2,978,355	$ 3,016,143	$ 3,054,408	$ 3,093,159	$ 3,132,402
Capacity Sales (based on 5 MW at 100% Availability)		$ 196,156	$ 204,036	$ 208,746	$ 212,856	$ 217,580	$ 222,368	$ 227,282	$ 232,305	$ 237,436	$ 242,686	$ 248,049	$ 253,531	$ 259,134	$ 264,861	$ 270,714
Steam Sales		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Tipping Fees		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Revenue	$	$ 2,806,074	$ 2,855,088	$ 2,894,328	$ 2,939,636	$ 2,978,935	$ 3,018,776	$ 3,059,168	$ 3,100,119	$ 3,141,637	$ 3,183,729	$ 3,226,404	$ 3,269,674	$ 3,313,542	$ 3,358,020	$ 3,403,116
Expenses																
LFG Cost		$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)	$ (167,949)
Interconnection Charges																
O&M		$ (1,105,870)	$ (1,138,727)	$ (1,172,368)	$ (1,207,540)	$ (1,243,766)	$ (1,281,079)	$ (1,319,511)	$ (1,359,096)	$ (1,399,869)	$ (1,441,865)	$ (1,485,121)	$ (1,529,675)	$ (1,575,565)	$ (1,622,832)	$ (1,671,517)
Non Capital Expenses (e.g. Start Up Spare Parts etc.)	$ (30,000)															
Administration		$ (24,000)	$ (24,720)	$ (25,462)	$ (26,225)	$ (27,012)	$ (27,823)	$ (28,657)	$ (29,517)	$ (30,402)	$ (31,315)	$ (32,254)	$ (33,222)	$ (34,218)	$ (35,245)	$ (36,302)
Property Tax		$ (50,000)	$ (51,500)	$ (53,045)	$ (54,636)	$ (56,275)	$ (57,964)	$ (59,703)	$ (61,494)	$ (63,339)	$ (65,239)	$ (67,196)	$ (69,212)	$ (71,288)	$ (73,427)	$ (75,629)
Equipment Insurance		$ (56,639)	$ (58,338)	$ (60,088)	$ (61,891)	$ (63,747)	$ (65,660)	$ (67,630)	$ (69,659)	$ (71,748)	$ (73,901)	$ (76,118)	$ (78,401)	$ (80,753)	$ (83,176)	$ (85,671)
Business Interruption Insurance		$ (12,728)	$ (12,728)	$ (12,782)	$ (12,836)	$ (12,890)	$ (12,955)	$ (13,016)	$ (13,079)	$ (13,144)	$ (13,211)	$ (2,355)	$ (2,436)	$ (2,509)	$ (2,584)	$ (2,661)
Liability Insurance		$ (28,081)	$ (28,921)	$ (30,706)	$ (32,122)	$ (33,528)	$ (34,898)	$ (36,528)	$ (38,128)	$ (39,787)	$ (41,540)	$ (43,350)	$ (45,260)	$ (47,243)	$ (49,314)	$ (51,475)
Total Expenses	$ (30,000)	$ (1,444,413)	$ (1,482,864)	$ (1,522,400)	$ (1,563,291)	$ (1,605,174)	$ (1,648,425)	$ (1,692,994)	$ (1,738,921)	$ (1,786,246)	$ (1,835,020)	$ (1,874,363)	$ (1,925,184)	$ (1,979,526)	$ (2,034,826)	$ (2,091,206)
Gross Margin	$ (30,000)	$ 1,353,661	$ 1,372,225	$ 1,371,922	$ 1,376,435	$ 1,373,761	$ 1,370,351	$ 1,366,174	$ 1,361,198	$ 1,355,388	$ 1,348,710	$ 1,352,043	$ 1,343,520	$ 1,334,017	$ 1,323,494	$ 1,311,911
Plant Depreciation (SL)		$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)	$ (605,829)
Project Financing (Interest Only)		$ (347,864)	$ (322,791)	$ (295,692)	$ (266,425)	$ (234,816)	$ (200,679)	$ (163,810)	$ (123,992)	$ (80,989)	$ (34,545)	$ -	$ -	$ -	$ -	$ -
Income Before Taxes	$ (30,000)	$ 409,948	$ 443,604	$ 470,401	$ 504,181	$ 533,115	$ 563,844	$ 596,535	$ 631,377	$ 668,570	$ 708,335	$ 746,214	$ 737,691	$ 728,188	$ 717,665	$ 706,082
Income Taxes		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Income	$ (30,000)	$ 409,948	$ 443,604	$ 470,401	$ 504,181	$ 533,115	$ 563,844	$ 596,535	$ 631,377	$ 668,570	$ 708,335	$ 746,214	$ 737,691	$ 728,188	$ 717,665	$ 706,082
Plant Depreciation (SL)-Add Back		$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829
Less Project Financing Principal		$ (313,651)	$ (338,743)	$ (365,842)	$ (395,109)	$ (426,718)	$ (460,856)	$ (497,724)	$ (537,542)	$ (580,545)	$ (626,989)	$ -	$ -	$ -	$ -	$ -
Less Plant Investment	$ (9,087,436)															
Proceeds from Financing-Add Back	$ 4,543,718															
Net Cash Flow	$ (4,573,718)	$ 702,127	$ 710,691	$ 710,388	$ 714,901	$ 712,227	$ 708,817	$ 704,640	$ 699,664	$ 230,116	$ 161,510	$ 811,226	$ 606,112	$ 800,410	$ 794,096	$ 787,146

Taxable Income Analysis

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Income before taxes		$ 409,948	$ 443,604	$ 470,401	$ 504,181	$ 533,115	$ 563,844	$ 596,535	$ 631,377	$ 668,570	$ 708,335	$ 746,214	$ 737,691	$ 728,188	$ 717,665	$ 706,082	$ 9,165,750
Plant Depreciation (SL) - add back		$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 605,829	$ 9,087,436
ACRS Depreciation Table for 5yr		20.000%	32.000%	19.200%	11.520%	11.520%	5.760%										
Plant Depreciation (ACRS)		$ (1,817,487)	$ (2,907,979)	$ (1,772,050)	$ (1,045,673)	$ (1,045,673)	$ (523,436)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (9,114,698)
Taxable Income before carryforward		$ (801,710)	$ (1,858,546)	$ (695,820)	$ 63,138	$ 92,073	$ 646,237	$ 1,202,364	$ 1,237,206	$ 1,274,399	$ 1,314,164	$ 1,352,043	$ 1,343,520	$ 1,334,017	$ 1,323,494	$ 1,311,911	
Carryforward			$ (801,710)	$ (2,660,256)	$ (3,356,076)	$ (3,292,938)	$ (3,200,866)	$ (2,554,629)	$ (1,352,265)	$ (115,059)	$ -	$ -	$ -	$ -	$ -	$ -	
Taxable Income		$ (801,710)	$ (2,660,256)	$ (3,356,076)	$ (3,292,938)	$ (3,200,866)	$ (2,554,629)	$ (1,352,265)	$ (115,059)	$ 1,159,340	$ 1,314,164	$ 1,352,043	$ 1,343,520	$ 1,334,017	$ 1,323,494	$ 1,311,911	
Income Taxes 40.8%		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 463,736	$ 525,666	$ 540,817	$ 537,408	$ 533,607	$ 529,398	$ 524,764	$ 3,655,395

Debt Service

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Totals
Principal, beginning of period		$ -	$ 4,543,718	$ 4,230,067	$ 3,891,325	$ 3,525,483	$ 3,130,373	$ 2,703,655	$ 2,242,800	$ 1,745,076	$ 1,207,534	$ 626,989	$ 0	$ 0	$ 0	$ 0	$ 0	
Less principal payment		$ (4,543,718)	$ 313,651	$ 338,743	$ 365,842	$ 395,109	$ 426,718	$ 460,856	$ 497,724	$ 537,542	$ 580,545	$ 626,989	$ -	$ -	$ -	$ -	$ -	
Principal end of period		$ 4,543,718	$ 4,230,067	$ 3,891,325	$ 3,525,483	$ 3,130,373	$ 2,703,655	$ 2,242,800	$ 1,745,076	$ 1,207,534	$ 626,989	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ (0)
Total Debt Service	$ 661,534		$ 661,534	$ 661,534	$ 661,534	$ 661,534	$ 661,534	$ 661,534	$ 661,534	$ 661,534	$ 661,534	$ 661,534	$ -	$ -	$ -	$ -	$ -	
Less principal payment			$ (313,651)	$ (338,743)	$ (365,842)	$ (395,109)	$ (426,718)	$ (460,856)	$ (497,724)	$ (537,542)	$ (580,545)	$ (626,989)	$ -	$ -	$ -	$ -	$ -	$ 6,615,340
Interest portion of debt service			$ 347,884	$ 322,791	$ 295,692	$ 266,425	$ 234,816	$ 200,679	$ 163,810	$ 123,992	$ 80,989	$ 34,545	$ -	$ -	$ -	$ -	$ -	$ (4,543,718)
Debt Coverage			2.06	2.07	2.07	2.08	2.08	2.07	2.07	2.06	2.05	2.04						$ 2,071,622

AESE Inc.

Power Generation Design-Build Project Experience

Project	Owner	Project	Status
National Cement Lebec, California	NEO Corp	Design, permit, and build 27MW energy power plant using 6 Wartsila natural gas reciprocating engines	Awarded, start pending permit
Spokane Energy Project Spokane, Washington	City of Spokane / NEO	Design, permit and build a 1 MW energy power plant using two IC engines	COMPLETE
Prima Deschecha (Landfill) San Juan Capistrano, CA	County of Orange / NEO	Obtain CEQA permits, design, obtain building permits and manage construction of a 6 MW Landfill Gas power plant, utilizing reciprocating engines	COMPLETE
Miramar BioSolids Energy Project San Diego, California	City of San Diego / NEO	Manage construction of a 8 MW energy power plant	COMPLETE
Lopez Canyon (Landfill) Lake View Terrace, CA	City of Los Angeles / NEO	Obtain CEQA permits, building permits and manage construction of a 4 MW energy power plant utilizing reciprocating engines	COMPLETE
El Cap I Fredrickson, Washington	Electricity Capital	Design, permit, and build a 20MW energy power plant using 10 IC engines; Work in progress	Design completed, construction started, project cancelled
NCWRP Energy Project, San Diego, CA	City of San Diego / NEO	Design, permit and build a 4 MW energy power plant using four IC engines	COMPLETE

AESE is a general contractor with design-build expertise. We possess General Contractors' license and engineering registrations in almost all states in USA.