



May 16, 2011

Mr. Kevin Hathaway  
President  
Hathaway Renewable Energy Inc.  
P.O. Box 356  
45 Franks Rd.  
Leoma, TN 38468

RE: Negotiated Contracts For the Purchase of Firm Capacity and Energy from a Renewable Energy Producer or Qualifying Facility Less Than 100 kW dated October 27, 2010 ("Agreements")

Dear Mr. Hathaway:

In accordance with your email to Tamara Waldmann dated May 12, 2011, and pursuant to Section 2.3 (*Regulatory Approvals*) of the Agreements, PEF hereby declares that the Agreements between Hathaway Renewable Energy, Inc. and Progress Energy Florida are terminated.

It is unfortunate that the circumstances surrounding the Agreements have lead to this point. Progress Energy Florida is looking forward to continued discussion with Hathaway Renewable Energy, Inc. in the future.

Please contact David Gammon at 727-820-4597 or david.gammon@pgnmail.com if you have any questions.

Thank you,

A handwritten signature in blue ink, appearing to read "Michael Carl".

Michael Carl  
Director - PEF Renewable Generation and Wholesale Power  
Efficiency & Innovative Technology