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CONFIDENTIAL INFORMATION

(unredacted copies of Exhibits C-3, C-4, C-5, and D-1 to Application of Viridian Energy NJ LLC for Certification as a Retail Natural Gas Marketer)

**SUBMITTED UNDER SEAL WITH
MOTION FOR PROTECTIVE ORDER**

RECEIVED-DOCKETING DIV

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PUCO

Viridian Energy NJ LLC

Exhibit C-3

***“Financial Statements,”** provide copies of the applicant’s two most recent years of audited financial statements (balance sheet, income statement, and cash flow statement). If audited financial statements are not available, provide officer certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, it shall file audited or officer certified financial statements covering the life of the business.*

See attached.

Regional Energy Holdings, Inc.
Balance Sheet

	Dec 31, 09	Jan 31, 10	Feb 28, 10	Mar 31, 10	Apr 30, 10	May 31, 10
ASSETS						
Current Assets						
Checking/Savings						
Restricted Cash	1,173,764.93	1,676,435.93	2,094,173.35	2,109,011.36	2,283,865.88	3,035,868.22
Unrestricted Cash	(86,386.90)	51,190.51	2,347,737.14	2,312,517.05	2,517,923.70	1,824,978.23
Total Checking/Savings	1,087,378.03	1,727,626.44	4,441,910.49	4,421,528.41	4,801,789.58	4,860,846.45
Accounts Receivable						
Accounts Receivable	1,652,559.12	2,717,514.91	2,954,135.53	2,969,922.60	2,513,611.72	2,874,322.05
Total Accounts Receivable	1,652,559.12	2,717,514.91	2,954,135.53	2,969,922.60	2,513,611.72	2,874,322.05
Other Current Assets						
Accrued Network Receivables	-	-	-	-	-	-
Commission Advances	-	-	-	-	-	10,000.00
Deferred Tax Asset	-	-	-	-	-	-
Petty Cash	-	-	-	500.00	500.00	500.00
Prepayments	-	-	-	-	-	-
Unrealized Gain/(Loss)	-	-	-	-	-	-
Total Other Current Assets	-	-	-	500.00	500.00	10,500.00
Total Current Assets	-	4,445,141.35	7,396,046.02	7,391,951.01	7,315,901.30	7,745,668.50
Fixed Assets						
Capital Assets	132,577.09	213,271.65	243,784.19	272,248.33	334,721.25	356,961.65
Total Fixed Assets	132,577.09	213,271.65	243,784.19	272,248.33	334,721.25	356,961.65
Other Assets						
Capitalized Financing Costs	-	-	-	-	-	-
Total Other Assets	-	-	-	-	-	-
TOTAL ASSETS	2,872,514.24	4,658,413.00	7,639,830.21	7,664,199.34	7,650,622.55	8,102,630.15
LIABILITIES & EQUITY						
Liabilities						
Current Liabilities						
Accounts Payable						
Accounts Payable	226,165.45	267,782.92	223,498.57	237,185.10	83,069.75	154,203.45
Amex Payable	-	28,159.81	-	-	-	-
Total Accounts Payable	226,165.45	295,942.73	223,498.57	237,185.10	83,069.75	154,203.45
Other Current Liabilities						
Accrued COS	565,703.72	763,599.58	781,131.55	576,685.78	638,270.19	938,149.84
Accrued Expenses	-	-	-	-	-	-
Deferred Revenue	-	19,824.69	44,533.43	164,658.81	324,840.51	550,272.64
Revolving Debt Facility	1,875,000.00	3,338,000.00	4,308,000.00	4,308,000.00	4,308,000.00	4,308,000.00
Sales Tax Payable	10,876.32	13,082.35	29,552.44	48,646.25	17,427.93	35,813.76
Security Deposit Payable	-	-	-	-	-	-
Tax Payable	-	-	-	-	-	-
Total Other Current Liabilities	2,451,580.04	4,134,506.62	5,163,217.42	5,097,970.84	5,288,538.63	5,832,236.24
Total Current Liabilities	2,677,745.49	4,430,449.35	5,386,715.99	5,335,155.94	5,371,608.38	5,986,439.69
Total Liabilities	2,677,745.49	4,430,449.35	5,386,715.99	5,335,155.94	5,371,608.38	5,986,439.69
Equity						
Capital Stock	1,000,150.00	1,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00
Retained Earnings	-	(805,381.25)	(805,381.25)	(805,381.25)	(805,381.25)	(805,381.25)
Series A Preference Stock	-	-	-	-	-	-
Net Income	(805,381.25)	33,344.90	58,495.47	134,424.65	84,395.42	(78,428.29)
Total Equity	194,768.75	227,963.65	2,253,114.22	2,328,043.40	2,279,014.17	2,116,190.46
TOTAL LIABILITIES & EQUITY	2,872,514.24	4,658,413.00	7,639,830.21	7,664,199.34	7,650,622.55	8,102,630.15

	Jun 30, 10	Jul 31, 10	Aug 31, 10	Sep 30, 10	Oct 31, 10	Nov 30, 10	Dec 31, 10
ASSETS							
Current Assets							
Checking/Savings							
Restricted Cash	2,932,191.74	4,274,459.21	3,871,540.04	2,613,000.00	6,737,249.54	5,934,921.41	6,828,462.26
Unrestricted Cash	636,912.59	945,586.48	3,077,064.38	2,002,188.03	709,899.20	477,775.91	892,945.90
Total Checking/Savings	3,569,104.33	5,220,045.69	6,948,604.42	4,615,188.03	7,447,148.74	6,412,697.32	7,721,408.16
Accounts Receivable							
Accounts Receivable	4,079,789.67	6,202,848.95	7,337,917.55	7,781,175.89	9,243,426.71	12,129,266.67	17,642,722.93
Total Accounts Receivable	4,079,789.67	6,202,848.95	7,337,917.55	7,781,175.89	9,243,426.71	12,129,266.67	17,642,722.93
Other Current Assets							
Accrued Network Receivables	-	-	21,765.16	18,849.02	98,223.82	31,790.23	29,503.27
Commission Advances	53,500.00	63,000.00	79,200.00	103,905.60	106,802.50	110,892.80	120,392.80
Deferred Tax Asset	-	-	-	331,513.90	331,513.90	331,513.90	331,513.90
Petty Cash	2,615.00	2,615.00	1,425.00	1,425.00	1,425.00	125.00	125.00
Prepayments	-	-	-	-	-	5,812.50	5,812.50
Unrealized Gain/(Loss)	-	-	-	-	-	1,375,481.62	525,333.10
Total Other Current Assets	56,115.00	65,615.00	102,390.16	455,693.52	537,965.22	1,855,616.05	1,012,680.57
Total Current Assets	7,705,009.00	11,488,509.64	14,388,912.13	12,852,057.44	17,228,540.67	20,397,580.04	26,376,811.66
Fixed Assets							
Capital Assets	581,348.92	570,478.49	569,452.47	732,583.94	718,422.17	718,863.26	705,580.97
Total Fixed Assets	581,348.92	570,478.49	569,452.47	732,583.94	718,422.17	718,863.26	705,580.97
Other Assets							
Capitalized Financing Costs	-	-	-	200,000.00	123,611.11	47,222.22	45,833.33
Total Other Assets	-	-	-	200,000.00	123,611.11	47,222.22	45,833.33
TOTAL ASSETS	8,286,357.92	12,058,988.13	14,958,364.60	13,784,641.38	18,070,573.95	21,163,665.52	27,128,225.96
LIABILITIES & EQUITY							
Liabilities							
Current Liabilities							
Accounts Payable							
Accounts Payable	320,891.57	495,261.19	665,234.21	1,392,262.30	1,356,919.55	1,413,682.96	1,033,583.53
Amex Payable	-	-	-	-	-	-	-
Total Accounts Payable	320,891.57	495,261.19	665,234.21	1,392,262.30	1,356,919.55	1,413,682.96	1,033,583.53
Other Current Liabilities							
Accrued COS	1,029,701.31	1,577,050.66	1,878,347.70	8,808,470.71	12,269,352.58	13,286,178.00	17,395,137.23
Accrued Expenses	-	-	-	-	-	-	1,284,732.16
Deferred Revenue	738,506.30	924,512.19	1,215,314.70	1,482,112.52	1,815,033.61	2,148,395.44	2,268,253.79
Revolving Debt Facility	4,306,000.00	7,558,000.00	10,308,000.00	1,755,260.00	1,000,000.00	1,000,000.00	-
Sales Tax Payable	61,281.70	49,450.89	143,298.22	298,411.00	198,025.89	394,626.92	733,371.68
Security Deposit Payable	800.00	1,700.00	1,700.00	1,700.00	1,700.00	-	-
Tax Payable	(134,500.00)	(134,500.00)	(134,500.00)	(561,430.00)	(300,430.00)	(300,430.00)	(315,964.19)
Total Other Current Liabilities	6,003,789.31	9,976,213.74	13,412,158.62	11,784,524.23	14,983,682.08	16,528,770.36	21,365,530.67
Total Current Liabilities	6,324,680.88	10,471,474.93	14,077,392.83	13,176,786.53	16,340,601.63	17,942,453.32	22,399,114.20
Total Liabilities	6,324,680.88	10,471,474.93	14,077,392.83	13,176,786.53	16,340,601.63	17,942,453.32	22,399,114.20
Equity							
Capital Stock	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00
Retained Earnings	(805,381.25)	(805,381.25)	(805,381.25)	(805,381.25)	(805,381.25)	(805,381.25)	(805,381.25)
Series A Preference Stock	-	-	-	-	-	-	2,225,000.00
Net Income	(232,941.71)	(607,105.55)	(1,313,646.98)	(1,586,763.90)	(464,646.43)	1,026,593.45	309,493.01
Total Equity	1,961,677.04	1,587,513.20	880,971.77	607,854.85	1,729,972.32	3,221,212.20	4,729,111.76
TOTAL LIABILITIES & EQUITY	8,286,357.92	12,058,988.13	14,958,364.60	13,784,641.38	18,070,573.95	21,163,665.52	27,128,225.96

Regional Energy Holding, Inc.
Profit Loss

	Jan - Dec 09	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun 10
Ordinary Income/Expense							
Income							
Sales	2,159,572.96	1,922,700.41	1,920,946.76	1,838,693.84	1,519,184.41	2,040,720.79	2,922,640.66
Total Income	<u>2,159,572.96</u>	<u>1,922,700.41</u>	<u>1,920,946.76</u>	<u>1,838,693.84</u>	<u>1,519,184.41</u>	<u>2,040,720.79</u>	<u>2,922,640.66</u>
Cost of Goods Sold							
Cost of Sales	1,785,599.63	1,603,783.03	1,543,072.95	1,309,975.49	1,204,580.89	1,780,143.80	2,375,380.87
Total COGS	<u>1,785,599.63</u>	<u>1,603,783.03</u>	<u>1,543,072.95</u>	<u>1,309,975.49</u>	<u>1,204,580.89</u>	<u>1,780,143.80</u>	<u>2,375,380.87</u>
Gross Profit	373,973.33	318,917.38	377,873.81	528,718.35	314,603.52	260,576.99	547,259.79
Expense							
Commissions Expense	127,036.19	35,133.35	32,680.90	56,886.23	52,141.59	71,326.50	160,361.44
Corporate Expenses	399,592.34	33,513.63	18,456.39	111,618.44	64,885.90	98,462.97	109,969.12
Human Resources Expenses	391,939.78	121,304.16	103,157.50	137,593.03	136,155.90	168,472.26	183,811.35
Network Expenses	188,486.64	13,879.38	44,842.23	18,433.94	13,276.11	20,794.67	106,980.08
Operations Expense	72,885.50	23,567.56	76,759.09	43,522.17	21,046.52	34,540.00	146,606.97
Total Expense	<u>1,179,940.45</u>	<u>227,398.08</u>	<u>275,896.11</u>	<u>367,853.81</u>	<u>287,506.02</u>	<u>393,596.40</u>	<u>707,728.96</u>
Net Ordinary Income	(805,967.12)	91,519.30	101,977.70	160,864.54	27,097.50	(133,019.41)	(160,469.17)
Other Income/Expense							
Other Income							
Interest & Dividend Income	45.42	58.17	78.40	90.54	128.03	149.22	227.75
Unrealized Gain/(Loss) on Swaps	-	-	-	-	-	-	-
Viridian Network Sales	75,334.35	6,462.52	10,340.50	10,753.21	19,883.88	93,788.58	103,839.51
Total Other Income	<u>75,334.35</u>	<u>6,520.69</u>	<u>10,418.90</u>	<u>10,843.75</u>	<u>20,011.91</u>	<u>93,937.80</u>	<u>104,067.26</u>
Other Expense							
Depreciation Expense	30,105.55	5,210.42	8,066.21	9,619.11	10,978.64	37,582.10	11,951.51
Interest Expense	44,688.35	59,484.67	79,179.82	86,160.00	86,160.00	86,160.00	86,160.00
Tax Expense	-	-	-	-	-	-	-
Total Other Expense	<u>74,793.90</u>	<u>64,695.09</u>	<u>87,246.03</u>	<u>95,779.11</u>	<u>97,138.64</u>	<u>123,742.10</u>	<u>98,111.51</u>
Net Other Income	585.87	(58,174.40)	(76,827.13)	(84,935.36)	(77,126.73)	(29,804.30)	5,955.75
Net Income	<u>(805,381.25)</u>	<u>33,344.90</u>	<u>25,150.57</u>	<u>75,929.18</u>	<u>(50,029.23)</u>	<u>(162,823.71)</u>	<u>(154,513.42)</u>

Regional Energy Holding, Inc.
Profit Loss

	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan-Dec 2010
Ordinary Income/Expense							
Income							
Sales	4,510,763.72	5,058,476.63	5,251,276.96	6,972,695.71	8,677,169.89	12,486,849.63	55,122,119.41
Total Income	4,510,763.72	5,058,476.63	5,251,276.96	6,972,695.71	8,677,169.89	12,486,849.63	55,122,119.41
Cost of Goods Sold							
Cost of Sales	4,180,784.63	4,722,024.71	4,889,129.55	4,774,552.40	6,534,558.81	10,616,661.49	45,534,648.62
Total COGS	4,180,784.63	4,722,024.71	4,889,129.55	4,774,552.40	6,534,558.81	10,616,661.49	45,534,648.62
Gross Profit	329,979.09	336,451.92	362,147.41	2,198,143.31	2,142,611.08	1,870,188.14	9,587,470.79
Expense							
Commissions Expense	267,752.43	431,927.70	356,714.03	393,689.45	745,319.43	704,875.94	3,308,588.99
Corporate Expenses	115,108.27	100,617.47	483,644.59	115,589.62	414,567.02	204,476.30	1,870,909.72
Human Resources Expenses	193,115.65	240,031.65	233,162.46	249,734.62	262,535.85	366,089.05	2,395,163.68
Network Expenses	111,256.78	177,725.58	196,172.75	155,398.57	303,170.22	314,504.24	1,476,434.55
Operations Expense	135,349.83	74,179.17	115,527.39	48,207.16	264,399.47	149,340.24	1,133,045.57
Total Expense	822,583.16	1,024,481.57	1,385,221.22	962,599.42	1,989,991.99	1,739,285.77	10,184,142.51
Net Ordinary Income	(492,604.07)	(688,029.65)	(1,023,073.81)	1,235,543.89	152,619.09	130,902.37	(596,671.72)
Other Income/Expense							
Other Income							
Interest & Dividend Income	224.28	503.24	616.24	41.18	1,031.55	69.93	3,218.53
Unrealized Gain/(Loss) on Swaps	-	-	-	-	1,375,481.62	(850,148.52)	525,333.10
Viridian Network Sales	256,981.75	183,302.25	245,997.26	400,452.83	281,944.91	366,984.48	1,980,731.68
Total Other Income	257,206.03	183,805.49	246,613.50	400,494.01	1,658,458.08	(483,094.11)	2,509,283.31
Other Expense							
Depreciation Expense	13,939.13	18,657.27	20,905.44	24,161.77	24,905.20	25,139.79	211,116.59
Interest Expense	124,826.67	183,660.00	232,107.07	228,758.66	294,932.09	355,303.10	1,902,892.08
Tax Expense	-	-	(756,355.90)	261,000.00	-	(15,534.19)	(510,890.09)
Total Other Expense	138,765.80	202,317.27	(503,343.39)	513,920.43	319,837.29	364,908.70	1,603,116.58
Net Other Income	118,440.23	(18,511.78)	749,956.89	(113,426.42)	1,338,620.79	(848,002.81)	906,164.73
Net Income	<u>(374,163.84)</u>	<u>(706,641.43)</u>	<u>(273,116.92)</u>	<u>1,122,117.47</u>	<u>1,491,239.88</u>	<u>(717,100.44)</u>	<u>309,493.01</u>

Exhibit C-4

“Financial Arrangements,” provide copies of the applicant's current financial arrangements to conduct competitive retail natural gas service (CRNGS) as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.)

VENJ will enter into a Key Supplier Agreement (“KSA”) with Macquarie Energy LLC (“Macquarie”) similar to the one in place currently for electricity. Under the KSA, Macquarie will be the financial responsible party and scheduling/settling entity for VENJ’s natural gas supply in all markets. Macquarie is responsible for scheduling natural gas on a daily basis, securing ancillary services to support the natural gas demand, providing collateral as required by the utility and suppliers and payment of utility/supplier invoices.

Attached please find the base agreement of the current electricity KSA between Macquarie and VENJ.

BASE CONFIRMATION

DATED AS OF SEPTEMBER 22, 2010

BETWEEN

MACQUARIE ENERGY LLC

AND

**REGIONAL ENERGY HOLDINGS, INC., VIRIDIAN ENERGY, INC.,
VIRIDIAN ENERGY MD LLC, VIRIDIAN ENERGY NJ LLC, VIRIDIAN
ENERGY NY, LLC, VIRIDIAN ENERGY PA LLC,
AND VIRIDIAN NETWORK, LLC**

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SCHEDULES

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Schedule X(h)	-	Reports
Schedule X(k)	-	Risk Management Policy
Schedule XI(l)	-	Material Contracts
Schedule XII(a)(ii)	-	Credit Base Calculation
Schedule XVII	-	Primary and Alternate Contacts

EXHIBITS

Exhibit XIV(a)(vi)	-	Form of Closing Certificate
Exhibit XIV(a)(ix)	-	Form of Credit Base Certificate

BASE CONFIRMATION

Date: September 22, 2010

To: **Macquarie Energy LLC**
500 Dallas Street, Suite 3100
Houston, TX 77002

From: **Viridian Energy PA LLC**
Regional Energy Holdings, Inc.
Viridian Energy MD LLC
Viridian Energy NJ LLC
Viridian Energy NY, LLC
Viridian Network, LLC
Viridian Energy, Inc.
64 North Main Street
Norwalk, CT 06854

Dear Sir/Madam:

This base confirmation ("Base Confirmation") confirms the terms and conditions of the Transaction entered into among Macquarie Energy LLC, a Delaware limited liability company ("Power Seller"), and Viridian Energy, Inc, a Nevada corporation, Viridian Energy PA LLC, a Nevada limited liability company, and Viridian Energy NY, LLC, a New York limited liability company (each of which may be referred to as a "Power Buyer") and Regional Energy Holdings, Inc., a Nevada corporation, Viridian Energy MD LLC, a Nevada limited liability company, Viridian Energy NJ LLC, a Nevada limited liability company, and Viridian Network, LLC, a Delaware limited liability company (each of which may be referred to as an "Obligor" and, together with the Power Buyers, collectively referred to as the "Transaction Group") for the exclusive supply of Products to the Power Buyers. Each Power Buyer and each Obligor shall be jointly and severally liable for the obligations of each other Power Buyer and Obligor under this Base Confirmation. Power Seller, each Power Buyer and each Obligor may each be referred to individually as a "Party" and collectively as the "Parties."

This Base Confirmation and all Schedules hereto form a part of the ISDA Master Agreement dated as of September 22, 2010, including the Schedule to the Master Agreement, Power Annex and all transactions and confirmations thereunder (as amended or otherwise modified from time to time, the "Master Agreement"), between Power Seller and Transaction Group and evidences a Transaction thereunder. For purposes of these introductory paragraphs only, "Transaction" has the meaning set forth in the Master Agreement and not the meaning otherwise set forth in this Base Confirmation. The Master Agreement, including this Base Confirmation, is subject to the terms and conditions of the Schedules attached hereto. Terms used, but not defined herein, shall have the meaning given them in the Master Agreement.

The terms of the Transaction to which this Base Confirmation relates are as follows:

- | | | |
|------------|----------------------|--|
| I | Power Seller: | Macquarie Energy LLC |
| II | Power Buyer: | Each Power Buyer as defined in the first paragraph of this Base Confirmation |
| III | Obligors: | Regional Energy Holdings, Inc., Viridian Energy MD LLC, Viridian Energy NJ LLC and Viridian Network, LLC |
| IV | Term: | <p>(a) <u>Term</u>. The term of this Base Confirmation shall commence on the Effective Date and unless earlier terminated as provided herein shall continue until the Power Commitment Termination Date (the "<u>Term</u>").</p> <p>(b) <u>Termination of Commitments by Power Seller</u>. Without limiting its other rights under the Master Agreement or any of the Security Documents, Power Seller may suspend or terminate this Base Confirmation and/or any or all of the Commitments at any time upon the occurrence and during the continuance of an</p> |

Event of Default or Termination Event.

- (c) Obligations Following Termination. The occurrence of the Power Commitment Termination Date or a termination of the Master Agreement (whether pursuant to an Event of Default or otherwise) shall not affect or excuse the performance by either Power Seller or any Power Buyer or Obligor of obligations that by their nature or expressly survive such termination.

V Services:

During the Term, Power Seller and Power Buyers shall perform the Commitments for the consideration provided in this Base Confirmation. For the sake of clarity, all transactions hereunder are wholesale sales by Power Seller to Power Buyers for resale. In addition to transactions in the Day-Ahead and Real-Time Markets, Power Seller and a Power Buyer may, but are not required to, enter into Bilateral Transactions upon mutually-agreeable terms and conditions, and otherwise in accordance with Schedule V.

VI Exclusivity of Arrangement:

Each Power Buyer agrees and covenants that (i) this Base Confirmation constitutes an exclusive arrangement for its purchase of Products to the extent that it purchases or obtains Products for delivery during the Term; and (ii) it will not purchase or obtain Products from any Person other than Power Seller for delivery during the Term. Nothing in this Base Confirmation shall prohibit any Affiliate of any Member from undertaking retail electric sales in a jurisdiction other than a Specified Market provided that such retail sales are not undertaken by a Member and no contractual arrangements are entered into or distributions made between a Member and any such Affiliates.

VII Pricing; Minimum Annual Payment; Minimum Termination Fee

- (a) Pricing. The pricing for all Products shall equal the price set forth in Schedule V plus, (i) for purchases of electric energy other than those made pursuant to Bilateral Transactions, the Energy Fee, (ii) for purchases of capacity, the Capacity Fee, and (iii) for Bilateral Transactions, the sum of the price agreed between the Power Buyer and Power Seller plus the Bilateral Transaction Fee plus the Energy Fee.

(b) Minimum Annual Payment.

- (i) Power Buyer shall make a minimum annual payment (the "Minimum Annual Payment") to Power Supplier equal to:

1. For October 1, 2010 – September 30, 2011 ("Year 1"), \$75,000.00 less the sum of all Supply Fees paid during the same period.
2. October 1, 2011 – September 30, 2012 ("Year 2"), \$150,000.00 less the sum of all Supply Fees paid during the same period.
3. October 1, 2012 – September 30, 2013 ("Year 3"), \$300,000.00 less the sum of all Supply Fees paid during the same period.

Notwithstanding the foregoing, if the result of any calculation above would result in a Minimum Annual Payment of a negative amount for any year, no Minimum Annual Payment shall be owed for such year. The Minimum Annual Payment for each year shall be due on or before the 20th of October for each year following Year 1, Year 2 and Year 3.

- (c) Minimum Termination Fee. During the Term, Transaction Group may elect (upon ninety (90) days' prior written notice to Power Seller) to terminate this Base Confirmation, provided that Transaction Group shall be obligated to pay a fee ("Minimum Termination Fee") to Power Seller on the effective date of the

termination of this Base Confirmation which shall be in addition to the Early Termination Amount payable pursuant to Section 6 of the Master Agreement. The Minimum Termination Fee for each applicable year shall be:

- (i) \$900,000.00 for a termination notice sent during Year 1;
- (ii) \$650,000.00 for a termination notice sent during Year 2; and
- (iii) \$350,000.00 for a termination notice sent during Year 3.

Power Seller may setoff, on the effective date of termination of this Base Confirmation, the Minimum Termination Fee owed by Transaction Group against any amounts that would otherwise be payable by or to any Member by Power Seller under the Master Agreement.

VIII Payments:

(a) Prior to or upon the execution of this Base Confirmation, each Power Buyer (i) shall direct each Host Utility with whom it has entered into a POR Contract to pay all amounts owing to such Power Buyer to the Lockbox Account listed in Section XVII or as otherwise instructed by Power Seller, and (ii) agrees not to change such payment instructions absent Power Seller's prior written consent.

(b) Promptly after the end of each month (including the month immediately prior to the Power Commencement Date), Power Seller shall deliver to the representative of Transaction Group identified in Section XVII an invoice showing billing information including, but not limited to: (i) all amounts received from the Host Utilities for each Power Buyer pursuant to the POR Contracts for such month; (ii) the payment obligations incurred by Transaction Group under this Base Confirmation in such month, including the Supply Fee and all costs and expenses associated with all Transactions (including without limitation operational charges and adjustments by ISO's and Governmental Authorities in Specified Markets applicable thereto, whether prior to or after the Power Commencement Date), plus interest and any other amounts that Transaction Group is obligated to pay hereunder during such month; (iii) any credits or offsets due to Transaction Group under this Base Confirmation for such month; (iv) any amounts owing for any prior period, irrespective of whether such amounts were included in a prior monthly invoice; and (v) any unpaid portions of the Initial Loan.

(c) Each month, prior to the Physical Payment Date, Transaction Group will instruct the bank at which the Lockbox Account is held to release funds to Power Seller in the amounts set forth in the monthly invoice for such month. On the Physical Payment Date Power Seller will transfer to one or more of its bank accounts the amounts in the Lockbox Account up to the amount due to Power Seller under such invoice. For so long as any part of the Initial Loan remains unpaid, all payments from the Lockbox Account will be applied to the remaining balance of the Initial Loan prior to paying any other amounts listed in the monthly invoice. After the Initial Loan is repaid, all payments from the Lockbox Account will be applied to the Deferred Payment balance prior to paying any other amounts listed in the monthly invoice.

(d) Subject to subsections (e), (f), (g) and (h) below, if the Lockbox Account contains insufficient funds on any Physical Payment Date to pay Power Seller all amounts owed under Power Seller's invoice on such date, then, in addition to Power Seller's right to declare such shortfall an Event of Default pursuant to Section V(a)(1) of the Master Agreement if such amounts are not deferred pursuant to Section VIII(h) below, Power Seller may, on a daily basis thereafter, transfer all incoming amounts swept into the Lockbox Account into one or more of its bank accounts until its

invoice has been paid in full and Transaction Group shall issue whatever banking instructions are necessary to effect such transfers. Thereafter, no payments shall be made (other than to Power Seller to pay its invoices) until the Minimum Balance is reached.

(e) If the Initial Loan has not been paid in full on or before the fourth monthly Physical Payment Date, such failure shall constitute an Event of Default hereunder and, in addition to all other remedies to which Power Seller may be entitled, Power Seller may charge interest on such unpaid amounts from the fourth monthly Physical Payment Date until the date paid at an annual rate equal to fifteen percent (15%).

(f) If, on the Physical Payment Date: (i) any funds in excess of the Minimum Balance remain in the Lockbox Account after payment is made to Power Seller, (ii) no Event of Default, Termination Event or Potential Event of Default has occurred and is continuing, (iii) Power Seller has not received notice that any amount owed to any third party is then currently past due, (iv) Power Seller has been paid in full for all amounts owing under all then outstanding monthly invoices, (v) no Deferred Payment has occurred on such Physical Payment Date, and (vi) a distribution would not result in a breach of any financial covenant, then Power Seller shall consent to the payment of any funds in excess of the Minimum Balance into the Operating Account.

(g) Power Seller may, in its sole discretion, instruct Transaction Group to instruct the bank at which the Lockbox Account is held to distribute funds up to the amount then past due, pursuant to Power Seller's instructions, to any third party owed payment by any Member. Transaction Group shall issue such instructions within two (2) Local Business Days of a request therefor from Power Seller, and Transaction Group's failure to do so shall constitute an Event of Default hereunder with Transaction Group being the Defaulting Party.

(h) If on any Physical Payment Date the Lockbox Account contains insufficient funds to pay the amounts owed pursuant to Power Seller's invoice, the difference between the invoiced amount plus the Minimum Balance and the Lockbox Account balance will be deferred until the Physical Payment Date next following (such deferred amount the "Deferred Payment"), *provided*, however, that any such deferral will be subject to the limitations on the number of times such deferral may occur and the total amount that may be deferred, as detailed below. If a Deferred Payment occurs with respect to a Physical Payment Date, then (i) the Deferred Payment will be due on the immediately following Physical Payment Date; (ii) the Deferred Amount will bear interest, accruing daily, at an annual rate of thirteen percent (13%); and (iii) no distribution will be made to Transaction Group for such Physical Payment Date except as otherwise permitted during the first six (6) months of the Term, as further described below. For the first six (6) months during the Term: (i) the maximum total outstanding amount of Deferred Payments that have not been repaid shall not exceed five million Dollars (\$5,000,000); and (ii) subject to the cap specified in clause (i), Transaction Group may, by written notice delivered to Power Seller prior to the Physical Payment Date on which the Deferred Payment occurs, elect to increase the amount of the Deferred Payment by the Deferred Operating Expenses, in which case, provided all covenants relating to the Credit Base are met, and notwithstanding Section VIII(f), the amount equal to the Deferred Operating Expenses will be transferred to the Operating Account for Transaction Group to use to pay its Operating Expenses. For the portion of the Term other than the first six (6) months

thereof: (i) the aggregate amount that Transaction Group may defer under all Deferred Payments that have not been repaid shall be no more than the lesser of thirty percent (30%) of the Credit Base or ten million Dollars (\$10,000,000); and (ii) Transaction Group may not elect a Deferred Payment more than six (6) times during the Term. The designation of a Deferred Payment shall not relieve Transaction Group from its obligations to comply with all other representations, warranties, covenants and obligations hereunder, including its obligation to comply with the Operating Expense Coverage Ratio. If on any Physical Payment Date the Lockbox Account contains insufficient funds to pay the amounts owed pursuant to Power Seller's invoice, and either (i) the sum of the absolute value of the difference between the invoiced amount and the Lockbox Account balance plus the sum of the outstanding Deferred Payments that have not been repaid exceeds the lesser of thirty percent (30%) of the Credit Base or ten million Dollars (\$10,000,000); or (ii) Deferred Payments have been designated six (6) or more times previously during that portion of the Term that is not within the first six (6) months thereof, then in either case such shortfall shall constitute an Event of Default pursuant to Section V(a)(i) of the Master Agreement.

(i) Following the occurrence of a material Potential Event of Default (as determined by Power Seller acting in a commercially reasonable manner), Secured Party may notify the Controlled Account Institution (as such term is defined in the Security Agreement) for the Operating Account of Secured Party's decision to assert control over the Operating Account and direct the disposition of funds therefrom, and Transaction Group hereby consents to such directions. Notwithstanding the foregoing, Power Seller shall approve all payments which are initiated by Transaction Group that are required to cure the Potential Event of Default which led to the notification by Power Seller of its interest in asserting control over the Operating Account.

IX Representations and Warranties:

Each Member represents and warrants to Power Seller as follows on the Effective Date and (except to the extent (i) any representation is given as to a specific date, or (ii) a covenant provides that Transaction Group may or shall provide or update information to Power Seller or may take any action or enter into a transaction not reflected by or inconsistent with any representation), at all times during the Term:

- (a) Existence; Subsidiaries. It (i) does not have any subsidiaries or ownership in any other entity (other than Regional Energy Holdings, Inc.'s ownership of Viridian Energy, Inc., Viridian Energy MD LLC, Viridian Energy NJ LLC, Viridian Energy NY, LLC, Viridian Energy PA LLC and Viridian Network, LLC); (ii) is in good standing under the laws of the jurisdiction of its formation; and (iii) is duly qualified and licensed and in good standing in each jurisdiction where either its ownership, lease or operation of Property or the conduct of its business requires such qualification or license.
- (b) Power and Authority. It has the requisite corporate power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own all of its Property and carry on its business; and (ii) execute, deliver and perform all obligations under the Transaction Documents to which it is a party. Its execution, delivery, and performance of this Base Confirmation and the other Transaction Documents and the consummation of the transactions contemplated hereby have been duly authorized by all necessary organizational action, do not and will not contravene the terms of its organizational documents, and do not and will not violate any material Legal Requirement.

- (c) Lien or Security Interest. Other than the liens and security interests granted in connection herewith, Permitted Liens and the Existing Senior Debt Liens, it does not have any liens against any of its equity or Property.
- (d) Authorization and Approvals. No authorization, approval, consent, exemption, or other action by, or notice to or filing with, any Governmental Authority or any other person is necessary or required on its part in connection with (i) the execution, delivery and performance by, or enforcement against, it of this Base Confirmation and the other Transaction Documents or the consummation of the Transactions or the other transactions contemplated hereby or thereby, (ii) the grant by it of the Liens granted by it pursuant to the Transaction Documents, or (iii) the perfection or maintenance of the Liens created under the Transaction Documents (including the first priority nature thereof) (other than the filing of UCC-1 Financing Statements), all of which have been duly obtained, taken, given or made and are in full force and effect, except actions by, and notices to or filings with, governmental authorities (including, without limitation, the SEC) that may be required in the ordinary course of business from time to time or that may be required to comply with the express requirements of the Transaction Documents (including, without limitation, to release the Existing Senior Debt Liens on the Collateral or to comply with requirements to perfect, and/or maintain the perfection of, Liens created for the benefit of Power Seller). Where required in order to operate its business, each applicable Power Buyer has registered, and has maintained its registration, with NERC as the Load-Serving Entity (as such term is defined by NERC, hereinafter "LSE") and any and all other Required Registrations.
- (e) Enforceable Obligations. This Base Confirmation has been, and each other Transaction Document, when delivered, will have been, duly executed and delivered by it. This Base Confirmation constitutes, and each other Transaction Document when so delivered will constitute, a legal, valid and binding obligation of it, enforceable against it in accordance with its terms.
- (f) Financial Statements; No Material Adverse Effect.
 - (i) All Financial Statements of Transaction Group which have been delivered to Power Seller (i) were prepared on a consolidated basis in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present in all material respects the consolidated financial condition of Transaction Group as of the date thereof and their consolidated results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (iii) to the extent that GAAP would require that such information be included in such Financial Statement, show all indebtedness and other liabilities, direct or contingent, of Transaction Group as of the date thereof, including liabilities for Taxes, material commitments and Debt. Notwithstanding and in addition to the foregoing, annual Financial Statements delivered after the Power Commencement Date shall be audited.
 - (ii) All Pro Forma Financial Statements and Projections have been prepared in good faith by Transaction Group, based on assumptions believed by Transaction Group to be reasonable on the date thereof, and the Pro Forma Financial Statements present fairly, in all material respects, on a pro forma

basis the estimated consolidated financial position of Transaction Group as of the date thereof. In the event the Pro Forma Financial Statements and Projections are determined to be inaccurate, Transaction Group shall notify Power Seller in writing immediately and provide any corrections.

- (iii) Since March 31, 2009, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.
- (g) Disclosure. It has disclosed to Power Seller all agreements, instruments and corporate or other restrictions to which it is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No information, report, financial statement, exhibit or schedule furnished by or on behalf of Transaction Group to Power Seller in connection with the negotiation of any Transaction Document or included therein or delivered pursuant thereto contained, contains or will contain any misstatement of material fact or omitted, omits or will omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were, are or will be made, not misleading.
- (h) Litigation. (i) As of the Effective Date, there are no judgments for an amount in excess of ten thousand Dollars (\$10,000) or any actions, suits, proceedings, claims or disputes that would reasonably be expected to result in a Material Adverse Effect; (ii) at all times during the Term, there are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of any of its officers after due and diligent investigation, threatened or contemplated in writing, at law, in equity, in arbitration or before any Governmental Authority, by or against Transaction Group or against any of its Property or revenues that could result in a judgment for an amount in excess of ten thousand Dollars (\$10,000) or otherwise reasonably be expected to result in a Material Adverse Effect of which Transaction Group has not provided notice to Power Seller within two (2) Local Business Days of being notified thereof; and (iii) no regulatory authority, to the knowledge of any of Transaction Group's officers after due and diligent investigation, is currently conducting or has conducted within the five (5) year period immediately preceding the date hereof, an investigation of Transaction Group.
- (i) Compliance with Laws. Each Member is not, with respect to the operation of its Property (i) in violation of any Legal Requirement (including any Environmental Law) the violation of which could reasonably be expected to have a Material Adverse Effect; (ii) in default with respect to any judgment, writ, injunction, decree or order of any Governmental Authority the default of which could reasonably be expected to have a Material Adverse Effect; or (iii) with respect to each Power Buyer only, in violation of any Legal Requirement with respect to its ability to purchase, sell, supply or deliver Products to customers or enter into and perform its obligations under any physically-settled or financially-settled hedge agreement in each Specified Market.
- (j) No Default. It is not a party to any agreement or instrument or subject to any corporate restriction that has resulted or could, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. No Member is in default in any manner under any provision of any indenture or other agreement or instrument evidencing Debt, any Material Contract or any other

material agreement or instrument to which it is a party or by which it or any of its Property is or may be bound, where such default could reasonably be expected to result in a Material Adverse Effect. No Event of Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Base Confirmation or any other Transaction Document.

- (k) Independent Director. (i) The organizational documents of Regional Energy Holdings, Inc. require the appointment of an independent director to its Board of Directors whose consent is required prior to any voluntary bankruptcy filing or accession to any involuntary bankruptcy filing, in either case by it or by any of its subsidiaries; and (ii) such independent director has in fact been appointed and presently serves in such capacity.
- (l) Ownership and Condition of Properties. It owns or possesses the right to use all of the Property necessary to conduct its business, except where a failure thereof would not be reasonably likely to have a Material Adverse Effect. Without limiting the foregoing, (i) it owns or possesses the license to use all trademarks, service marks, trade names, copyrights, patents, franchises, licenses and other intellectual property rights that are necessary for the operation of its business, without conflict with the intellectual property rights of any other Person, and no claim or litigation regarding any of the foregoing is pending or, to the best of its knowledge, threatened; and (ii) it owns or possesses the license to use all the hardware, software, middleware, databases, technical and business information, know-how, and other information technology necessary for the operation of its business in each case except where a failure thereof would not be reasonably likely to have a Material Adverse Effect. It has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, except for such minor defects in title that do not materially interfere with its ability to conduct its business as currently conducted or to utilize such properties and assets for their intended purposes.
- (m) Hedging Transactions. No Hedging Transactions or agreements are in effect between it and any other Person other than any such transaction that is (i) effective for a term of no longer than the month immediately following the month in which it is entered into; and (ii) entered into with Power Seller.
- (n) Insurance. Schedule IX(n) sets forth a true, complete and correct description of all existing insurance policies maintained by Transaction Group as of the Effective Date. As of such date, such insurance is in full force and effect and all premiums have been duly paid.
- (o) Taxes.
 - (i) Transaction Group has filed all federal, state and other Tax returns and reports required to be filed, and has paid all federal, state and other Taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being properly contested. There is no written proposed Tax assessment against Transaction Group that would, if made, have a Material Adverse Effect to the best of Transaction Group's knowledge.

- (ii) No federal, state, local, or non-U.S. tax audits or administrative or judicial tax proceedings are pending or being conducted with respect to any Member. For purposes of the foregoing sentence, the following shall be deemed to be included as "pending or being conducted": any federal, state, local, or non-U.S. taxing authority (including jurisdictions where Transaction Group has not filed tax returns) shall have (i) provided a notice indicating an intent to open an audit or other review; (ii) made a request for information related to tax matters; or (iii) provided a notice of deficiency or proposed adjustment for any amount of Tax proposed, asserted, or assessed by any taxing authority against any Power Buyer.
- (p) Security Interests. The Security Agreement is effective to create in favor of Power Seller an Acceptable Security Interest in the Collateral, and, once perfected in the manner set forth in Sections 2.5-2.7 of the Security Agreement, such security interests shall constitute a fully perfected, first-priority lien on, and security interest in, all right, title and interest of all Property of Transaction Group prior and superior in right to any other Person to the extent a lien can be created and perfected under the UCC, subject to any applicable Permitted Liens.
- (q) Senior Obligations. Other than debts arising hereunder, and any Permitted Liens, Transaction Group shall not incur any Debt. The obligations of Transaction Group hereunder and under any Transaction Document are not subordinated or junior in right of payment to any other party.
- (r) Regulatory Status. Except with respect to issuances by FERC with respect to the receipt by Power Buyers of market-based rate authorization as related to subsection (iii) below, which issuances are attached as Schedule IX(r), Transaction Group has not been advised or received notice (whether formal, written or otherwise) of any proceeding, whether pending, threatened, or asserted, in which it is expected to be claimed that it is subject to (i) regulation as a "gas corporation", an "electric corporation", an "electric utility", an "electric utility company", a "gas utility", a "gas utility company", a "public utility", a "public utility company" or similar entity under the laws administered by or the regulations of any state; (ii) regulation as an "investment company" within the meaning of the Investment Company Act of 1940; (iii) regulation as a "public utility" under the Federal Power Act, as amended, and the regulations and orders thereunder (all collectively the "FPA"); (iv) regulation as a "natural-gas company" under the Natural Gas Act, as amended, and the regulations and orders thereunder (all collectively, the "NGA"); (v) regulation as a "public utility company", "gas utility company", an "electric utility company" or a "holding company," as those terms are defined under the Public Utility Holding Company Act of 2005, and the regulations and orders thereunder (all collectively, "PUHCA"); (vi) an actual or anticipated violation of any rule, regulation, order, tariff, or requirement under any of the FPA, the NGA, or the PUHCA; (vii) regulation by or the jurisdiction of the FERC; or (viii) regulation under the Interstate Commerce Act, any public utilities code or any other applicable Legal Requirement regarding its authority to incur indebtedness or grant liens on, or otherwise transfer, sell, lease, license or otherwise dispose of, its Property.

- (s) Names and Locations. As of the Effective Date, Schedule IX(s) sets forth (i) all legal names and all other names (including trade names, fictitious names and business names) under which Transaction Group currently conducts business, or has at any time during the past five years conducted business; (ii) the name of any entity which any Member has acquired in whole or in part or from whom any Member has acquired a significant amount of assets within the past five (5) years; (iii) the state or other jurisdiction of organization or incorporation for each Member and the identification number of such Member (or a specific designation that such number does not exist); and (iv) the location of all offices of Transaction Group and the locations of all inventory of Transaction Group.
- (t) Accounts. Schedule IX(t) sets forth the account numbers and locations of all bank and securities accounts of Transaction Group as of the Effective Date.
- (u) Affiliate Transactions. As of the Effective Date and each day in which it enters into a Transaction, it does not have any agreement with any Affiliate or equity holder except as disclosed in Schedule IX(u).
- (v) Specified Documents. Each Specified Document to which it is a party has been duly authorized, executed, and delivered by it, represents its binding obligation and could not reasonably be expected to result in a Material Adverse Effect. It has performed all its material obligations under each Specified Document to date and no conditions exist which constitute a material breach, default, or event of default, however described, with respect to it or counterparty thereunder.
- (w) Receivables. Each of the Eligible Receivables included in the calculation of the Credit Base constitutes the legal, valid, and binding obligation of the applicable Host Utility or other obligor of such Eligible Receivable, and otherwise satisfies the requirements of being an Eligible Receivable. An Eligible Receivable shall be promptly removed from the calculation of the Credit Base if and when any of the conditions in this Section IX(w) ceases to be correct.
- (x) Employee Matters. There are no payments due from Transaction Group on account of employee health and welfare insurance or any Plan.
- (y) Labor Relations. There (i) is no unfair labor practice complaint pending against any Power Buyer or, to its knowledge, threatened against any Power Buyer, before the National Labor Relations Board (or any successor United States federal agency that administers the National Labor Relations Act), and no grievance or arbitration proceeding arising out of or under any collective bargaining agreement is so pending against any Power Buyer or, to its knowledge, threatened against any Power Buyer; (ii) are no strikes, lockouts, slowdowns or stoppage against any Power Buyer or, to its knowledge, threatened; and (iii) is no union representation petition existing with respect to the employees of any Power Buyer and no union organizing activities are taking place. The hours worked by and payments made to employees of Transaction Group have not been in violation of the Fair Labor Standards Act or any other applicable federal, state, provincial, local or foreign law dealing with such matters. All payments due from Transaction Group, or for which any claim may be made against Transaction Group, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of Transaction Group. The consummation of the transactions contemplated hereby will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining

agreement to which Transaction Group is bound.

(z) ERISA Compliance.

- (i) Transaction Group is in compliance in all material respects with the applicable provisions of ERISA and published interpretations thereunder.
- (ii) No Power Buyer has (or within the five (5) year period immediately preceding the date hereof had) any liability in respect of any Plan.
- (iii) No (i) ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events, could reasonably be expected to result in material liability of any Member; (ii) pension plan has any unfunded pension liability; (iii) Member has incurred, or reasonably expects to incur, any liability under Title IV of ERISA with respect to any pension plan (other than premiums due and not delinquent under Section 4007 of ERISA); (iv) Member has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Sections 4201 or 4243 of ERISA with respect to a multiemployer plan; and (v) Member has engaged in a transaction that could be subject to Sections 4069 or 4212(c) of ERISA.

(aa) Environmental Condition.

- (i) Except as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, Transaction Group (i) has obtained all environmental permits necessary for the ownership and operation of its properties and the conduct of its businesses; (ii) has been and is in compliance with all terms and conditions of such environmental permits and with all other requirements of applicable Environmental Laws; (iii) has not received notice of any violation or alleged violation of any Environmental Law or environmental permit; and (iv) is not, to the best of Transaction Group's knowledge, subject to any actual or contingent environmental claim.
- (ii) None of the present or previously owned or operated properties of Transaction Group, wherever located (i) has been placed on or proposed to be placed on the National Priorities List, CERCLIS, or their state or local analogs, nor has Transaction Group been otherwise notified of the designation, listing or identification of any of its property as a potential site for removal, remediation, cleanup, closure, restoration, reclamation, or other response activity under any Environmental Laws; (ii) is subject to a lien, arising under or in connection with any Environmental Laws, that attaches to any revenues or to any property owned or operated by Transaction Group, wherever located; or (iii) has been the site of any release of hazardous materials from present or past operations which has caused at the site or, to the best of Transaction Group's knowledge, at any third-party site any condition that has resulted in or could reasonably be expected to result in the need for a response, as defined under any Environmental Law ("Response") and Transaction Group has not generated or transported or has not caused to be generated or transported hazardous materials to any third-party site which could reasonably be expected to result in the need for a Response.

In addition to the above-stated representations, each Power Buyer makes the following representations on the Effective Date and at all times during the Term:

- (a) It is licensed and in good standing to purchase, sell, supply and deliver electricity, and to enter into physically-settled and financially-settled transactions related thereto by each of the state public utility commissions or equivalent agencies and all other Governmental Authorities which regulate a Specified Market.
- (b) It has the requisite power and authority and all requisite governmental licenses, authorizations, and consents to supply electricity to Customers in each of the jurisdictions in which it conducts business.
- (c) To the extent required, it has registered, and has maintained its registration, with NERC as the LSE and all other Required Registrations.

X Positive Covenants:

Each Power Buyer, with respect to Section X(a)(i), and each Member, with respect to all other Positive Covenants, agrees on the Effective Date and thereafter until the Power Commitment Termination Date that, except as may be permitted under the Transaction Documents, such Power Buyer or Member, as applicable, shall:

- (a) Business Operations; Material Contracts. (i) Engage in the retail sale and marketing of Products within the Specified Markets, obtaining supply therefor, and activities related or incidental thereto; and (ii) except as otherwise permitted by this Base Confirmation, maintain at all times the Material Contracts, notify Power Seller of any anticipated termination, expiration or breach of any Material Contract, and take all actions necessary under the Material Contracts to permit Power Seller to take assignment of or otherwise direct Transaction Group's performance under the Material Contracts in the event of a breach thereunder by any Member.
- (b) Nature of Business. Maintain and operate such business in substantially the manner in which it is presently conducted and operated and expansions and extensions thereof permitted pursuant to the terms of the Transaction Documents.
- (c) Preservation of Existence. (i) Preserve, renew and maintain in full force and effect its legal existence and good standing under the Legal Requirements of the jurisdiction of its formation; (ii) take all reasonable action to obtain, preserve, renew, extend, maintain and keep in full force and effect all rights, privileges, permits, licenses, authorizations and franchises necessary or desirable in the normal conduct of its business, including, with respect to each Power Buyer, those rights, privileges, permits, licenses, authorizations and franchises necessary to sell or supply and deliver electricity, capacity and Ancillary Services and enter into physically-settled and financially-settled transactions in each Specified Market; and (iii) qualify and remain qualified as a foreign entity in each jurisdiction in which qualification is necessary in view of its business and operations or the ownership of its Properties.
- (d) Compliance with Laws. With respect to each Power Buyer, comply with all Legal Requirements applicable to it or to its business or property or to its ability to purchase, sell, supply or deliver electricity, capacity and Ancillary Services and enter into physically-settled or financially-settled transactions with Specified Markets.
- (e) Maintenance of Property. (i) Maintain and preserve all Property material to the conduct of its business and keep such Property in good repair, working order and

condition, allowing for reasonable wear and tear; (ii) from time to time make, or cause to be made, all needful and proper repairs, renewals, additions, improvements and replacements thereto reasonably necessary in order that the business carried on in connection therewith may be properly conducted at all times; and (iii) use the standard of care typical in the industry in the operation and maintenance of its facilities.

(f) Maintenance of Insurance.

- (i) Maintain the insurance required by Schedule IX(n) and such other insurance as is customarily insured against by Persons engaged in the same or similar business and such other insurance as may be required by applicable Legal Requirements.
- (ii) (i) Cause all such policies covering Transaction Group or any Collateral to be endorsed or otherwise amended to include a customary loss payable endorsement, in form and substance reasonably satisfactory to Power Seller, which endorsement shall provide that, from and after the Effective Date, and only in the event of default by a Power Buyer, the insurance carrier shall pay all proceeds otherwise payable to Power Buyer under such policies directly to the Power Seller; (ii) cause all liability policies of Transaction Group to name at all times Power Seller as an additional insured party; (iii) deliver original or certified copies of all such policies of Power Seller and cause each such policy to provide that it shall not be canceled upon less than thirty (30) days' prior written notice thereof by the insurer to the Power Seller; and (iv) deliver to Power Seller, prior to or upon the cancellation, modification or nonrenewal of any such policy of insurance of Transaction Group, a copy of a renewal or replacement policy (or other evidence of renewal of a policy previously delivered Power Seller) together with evidence satisfactory to the Power Seller of payment of the premium therefor.
- (iii) If so requested by Power Seller, deliver to Power Seller as often as Power Seller may reasonably request, a report of Transaction Group or, if requested by Power Seller, of an insurance broker satisfactory to Power Seller, of the insurance of Transaction Group or on the Collateral.

(g) Payment of Taxes, Expenses, Etc.

- (i) Pay and discharge as the same shall become due and payable, all Transaction Group obligations and liabilities in accordance with their terms, including (i) all Taxes imposed upon any Member, on any Member's income or profits, or in respect of any Member's Property; (ii) all lawful claims which, if unpaid, might by law become a lien upon a Member's Property in violation of this Base Confirmation; (iii) all material third party obligations, as and when due and payable, but subject to any subordination provisions contained in any Transaction Document; and (iv) all material payment obligations of any Member of whatever nature, including material trade payables and material obligations under any Specified Document. "Material" as used in clauses (iii) and (iv) of this subsection (g) when referring to a payment amount shall mean, in aggregate for each such clause, ten thousand Dollars (\$10,000).
- (ii) (i) File all Tax returns and reports required to be filed by Transaction Group; and (ii) reserve for the payment of Taxes in accordance with GAAP. Should a default in reserving for the payment of Taxes occur, Transaction Group will

promptly notify Power Seller of the amount and correct such failure in the next accounting period.

- (h) Reporting Requirements. Deliver or cause to be delivered to Power Seller, as soon as commercially practical, in form and substance satisfactory to Power Seller:
 - (i) The reports and information as and when required pursuant to the provisions of Schedule X(h); and
 - (ii) Such other information respecting the business, Properties, Transactions, Collateral, Transaction Documents, Specified Documents and performance thereunder, or the condition or operations, financial or otherwise, of Transaction Group as Power Seller may from time to time reasonably request.
- (i) Other Notices. Deliver to Power Seller prompt written notice of the following:
 - (i) Defaults. The occurrence of any event of default (however evidenced) or any Potential Event of Default under a Customer Contract;
 - (ii) Material Changes. Any other event, development or circumstance that has resulted in, or could reasonably be expected to result in, a Material Adverse Effect;
 - (iii) Additional Notices. (i) copies of any individual complaint filed against any Member in a court of law or any counterclaim with respect to a complaint filed by a Member involving an amount in excess of ten thousand Dollars (\$10,000), or any complaints or counterclaims filed against any member of Transaction Group in a court of law or any complaints involving an amount in excess of one hundred thousand Dollars (\$100,000) in the aggregate; (ii) any notice sent by or to a Member by or to (A) a Customer or other creditor pertaining to a payment dispute where the amount in dispute or alleged owed is in excess of ten thousand Dollars (\$10,000), (B) one or more Customers or other creditors pertaining to payment disputes where the amount in dispute or alleged owed under all such disputes is in excess of one hundred thousand Dollars (\$100,000) in the aggregate, (C) a Customer or other creditor pertaining to the non-performance or breach of a material obligation under the contract between such Persons or pertaining to force majeure, or (D) a Customer or other creditor pertaining to any demand for margin or collateral by any such Person; (iii) any violations of the Risk Management Policy by a Power Buyer; (iv) any change in any of the officers of any Member; and (v) the commencement (whether actual or threatened in writing) of any action, investigation or proceeding by or before any Governmental Authority, excluding routine customer complaints. Notwithstanding the foregoing, upon request, a Power Buyer shall provide Power Seller access to information relating to all customer complaints and such Power Buyer's response to such complaints.

Each notice pursuant to this Section X(i) shall (i) be accompanied by a statement of an officer of the Member giving the notice setting forth details of the occurrence referred to therein and stating what action such member has taken and proposes to take with respect thereto; and (ii) describe with particularity any and all provisions of the Master Agreement and any other Transaction Document that have been breached.

- (j) Books and Records; Inspection. (i) Keep proper records and books of account in which full, true and correct entries will be made in accordance with GAAP and all Legal Requirements, reflecting all financial transactions and matters involving the assets and business of Transaction Group; (ii) maintain such books and records of account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over Transaction Group, as the case may be; (iii) from time to time, but not more than once per calendar quarter (absent the occurrence of an Event of Default, during the pendency of which representatives of Power Seller may visit and inspect pursuant to this subclause (iii) without limitation), during regular business hours and upon reasonable prior notice to Transaction Group, permit representatives and designated third party advisors of Power Seller (A) to visit and inspect any Power Buyer's Properties or systems or any of the Collateral, (B) to examine any Power Buyer's corporate, financial and operating records, and make copies thereof or abstracts therefrom, and in connection therewith such Power Buyer shall provide Power Seller or its advisor or representative such clerical and other assistance as may be reasonably requested with regard thereto, and (C) to discuss Transaction Group's affairs, finances and accounts with its directors, officers, employees, and independent public accountants, all at the expense of Transaction Group and at such reasonable times during normal business hours and as often as may be reasonably requested, provided that, in no event will Transaction Group's expense for which it is responsible exceed ten thousand Dollars (\$10,000) in any calendar year; (iv) permit Power Seller to conduct (or hire a third party advisor to conduct on Power Seller's behalf), a review of reports and summaries referenced in Schedule X(h) and the Risk Management Policy, including but not limited to data necessary to determine Transaction Group's accounts receivable and the Credit Base; (v) permit Power Seller or its representative or designated third party advisors, at Transaction Group's sole expense, the ability and access to audit at any time, but not more than once per calendar quarter (absent the occurrence of an Event of Default, during the pendency of which representatives of Power Seller may visit and inspect pursuant to this subclause (v) without limitation), all inputs into the Credit Base calculation, Transaction Group's infrastructure, analytics, and historical and long-term projected data associated with Transaction Group's business; and (vi) no less frequently than once per week, deliver to Power Seller in writing a Credit Base Certificate showing a calculation of the value of the Credit Base as of the Local Business Day before the Local Business Day on which Power Seller receives such certificate.
- (k) Risk Management Policy. Comply with the Risk Management Policy (copies of which are attached hereto as Schedule X(k)). Within the sixty (60) day period prior to each anniversary of the Effective Date, Transaction Group and Power Seller will review such Risk Management Policy and make such changes thereto as is commercially reasonable based upon the applicable market, industry, economic and Customer conditions. Notwithstanding anything to the contrary herein, Transaction Group may amend or modify the Risk Management Policy only upon written consent of Power Seller. The foregoing right of review and approval shall, without limitation, also apply to each Power Buyer's templates for Customer contracts and any material deviations therefrom.
- (l) Further Assurances. Execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing or continuation statements or amendments thereto (or

similar documents required by any laws of any applicable jurisdiction)), which may be required under any Legal Requirement, or which Power Seller may reasonably request, all at the sole cost and expense of Transaction Group. Transaction Group also agrees to provide to Power Seller, from time to time upon request, evidence reasonably satisfactory to Power Seller as to the perfection and priority of the Liens created or intended to be created by the Security Documents. Each Member agrees not to effect or permit any change to its name, the state of its principal place of business or chief executive office, type of its organization, organizational identification number or its jurisdiction of organization as in effect on the Effective Date unless all filings have been made under the Uniform Commercial Code or otherwise that are required in order for Power Seller to continue at all times following such change to have, and Transaction Group agrees to take all necessary action to ensure that Power Seller does continue at all times to have, a first priority security interest in all of the Collateral, except with respect to Permitted Liens. Power Buyer also agrees promptly to notify Power Seller if any material portion of the Collateral is damaged or destroyed.

- (m) Security Agreement. Comply with the covenants set forth in the Security Agreement.
- (n) Customer Contracts and Material Contracts. Perform all material obligations under each Customer Contract and Material Contract and prevent breach, default or event of default (however evidenced) with respect to any Member thereunder. If an event of default or Potential Event of Default exists with respect to a Member under a Customer Contract or Material Contract, then Transaction Group will give Power Seller immediate written notice of such event and instructions on how to cure such event and Power Seller may, but has no obligation to, act as such member's power of attorney to cure such event, and any expenses incurred by Power Seller or any of its Affiliates in exercising such remedies shall be paid by Transaction Group within ten (10) Local Business Days of its receipt of an invoice from Power Seller. Without limiting the foregoing, Power Seller may perform directly for Transaction Group any obligations of any Member under any Customer Contract or Material Contract (including by delivering Products under the Customer Contracts). Power Seller shall use reasonable efforts to notify Transaction Group of its intent to perform on behalf of Transaction Group; *provided, however*, it shall not be a default hereunder should Power Seller fail to provide such notice prior to performing on Transaction Group's behalf. Such action by Power Seller shall not release Transaction Group from its obligations under any Customer Contract or Material Contract or with respect to the Master Agreement, and Power Seller shall not have any obligation under any Customer Contract or Material Contract by reason of any Transaction Document or the exercise of its rights hereunder or thereunder (unless expressly assumed in writing).
- (o) ISO Obligations; Required Registrations.
 - (i) Perform all of Power Buyer's material ISO Obligations, including those under each POR Contract, and prevent a material breach, default or event of default (however evidenced) with respect to Power Buyer thereunder. If an event of default or Potential Event of Default exists with respect to any Required Registration, ISO Obligation or POR Contract, then Power Seller may, but is not obligated to, cure such event of default or Potential Event of Default, and any expenses incurred by Power Seller or any of its Affiliates in exercising

such remedies shall be paid by Transaction Group within three (3) Local Business Days of Transaction Group's receipt of notice. Power Seller shall use reasonable efforts to notify Transaction Group of its intent to perform on behalf of Transaction Group; *provided, however*, it shall not be a default hereunder should Power Seller fail to provide such notice prior to performing on Transaction Group's behalf. Such action by Power Seller shall not release Transaction Group from its obligations under any Required Registration contract, ISO Obligations or any POR Contract or with respect to any Transaction Document, and Power Seller shall not have any obligation under any ISO Obligations or any POR Contract by reason of any Transaction Document or the exercise of its rights hereunder or thereunder (unless expressly assumed in writing).

- (ii) Furnish to Power Seller promptly upon the giving or receipt thereof, copies of all material notices, requests and other communications given to or received from (i) any ISO or Host Utility under the POR Contracts, (ii) any counterparty under any Material Contract, or (iii) any Member under a Material Contract, and further from time to time furnish to Power Seller, or cause to be furnished to Power Seller, such information and reports regarding ISO Obligations and the Material Contracts as Power Seller may reasonably request.
- (iii) With respect to each Power Buyer, be responsible for all obligations, including reporting, relating to any Required Registrations. Each Member shall indemnify and hold Power Seller harmless from any costs, charges and/or penalties which are incurred by Power Seller as a result of Power Seller being deemed an LSE under any Transaction Document.
- (p) Receivables. Use commercially reasonable efforts consistent with past practices to collect payments on the Eligible Receivables when due, taking into account the responsibilities of the Host Utilities under the POR Contracts.
- (q) Independent Director. Ensure that (i) the organizational documents of Regional Energy Holdings, Inc. require the appointment of an independent director to its Board of Directors whose consent is required prior to any voluntary bankruptcy filing or accession to any involuntary bankruptcy filing, in either case by it or by any of its subsidiaries; and (ii) such independent directors have in fact been appointed and presently serve in such capacity.
- (r) Power Volumes. Ensure that power volumes (i) sold to Transaction Group under this Base Confirmation shall not exceed one hundred percent (100%) of the amount of power that Transaction Group is actually contracted to sell to its Customers for the then current month and prompt month, taking into account commercially reasonable differences between anticipated and actual Customer usage; (ii) shall be delivered to the applicable Power Buyer at a delivery point in the Specified Markets in which the consuming Customer is located; and (iii) will only be delivered during the Term.
- (s) Operating Expense Coverage Ratio. The Operating Expense Coverage Ratio will be greater than 1.0 on any Local Business Day on which it is measured.
- (t) Margin Ratio. The Margin Ratio will be greater than 0.05 on any Local Business Day on which it is measured.

XI Certain Negative

Each Member agrees with Power Seller on the Effective Date and thereafter until the

Covenants:

Power Commitment Termination Date that, except as may be permitted under any of the Transaction Documents, each Member shall not:

- (a) Business Operations. Enter into any business, either directly or indirectly, except for the unregulated sale of retail power or other Products in the Specified Markets, performing under the Specified Documents, and all services and activities reasonably related to the foregoing to the extent not prohibited under the Transaction Documents.
- (b) Change in Nature of Business. Engage in any line of business other than the sale of Products at retail and providing Products in connection therewith, or any business substantially related or incidental thereto, provided that each Power Buyer shall be permitted to resell excess Products to Power Seller, or to an ISO or RTO, that were purchased by Power Buyer in anticipation of Customer load that was greater than actual Customer load.
- (c) Liens, Etc. Create, assume, incur or suffer to exist, any lien on or in respect of any of its Property whether now owned or hereafter acquired other than any lien in favor of Power Seller or any Permitted Lien.
- (d) Debts, Guaranties and Other Obligations. Create, assume, suffer to exist or in any manner become or be liable in respect of any Debt, except Debt resulting from this Base Confirmation.
- (e) Merger or Consolidation. Merge, combine or consolidate with any Person, or liquidate, wind up its affairs or dissolve itself, in each case whether in a single transaction or in a series of related transactions, or change its name or conduct business under any fictitious name, change its tax, charter or other organizational identification number, or change its form or state of organization; *provided, however,* that a Power Buyer may merge, combine or consolidate with another Power Buyer or with an Obligor.
- (f) Asset Sales. Make any asset disposition or enter into any agreement to make any asset disposition, except:
 - (i) asset dispositions of equipment or real property to the extent that (i) the asset disposition is in the ordinary course of business; and (ii)(1) such property is exchanged for credit against the purchase price of similar replacement property, or (2) the proceeds of such asset disposition are reasonably promptly applied to the purchase price of such replacement property;
 - (ii) asset dispositions of inventory in the ordinary course of business pursuant to Customer Contracts;
 - (iii) asset dispositions of accounts to Host Utilities under POR Contracts in the ordinary course of business; or
 - (iv) asset dispositions involving the disposal of obsolete or non-working equipment.
- (g) Transactions With Affiliates. Except to the extent permitted under this Base Confirmation, enter into any transaction of any kind with any Affiliate of any Member, whether or not in the ordinary course of business, including, without limitation, any agreement by a Member with any Affiliate for management or consulting services.
- (h) Limitation on Accounting Changes or Changes in Fiscal Periods. Permit (i) any

change in any of its accounting policies affecting the presentation of Financial Statements or reporting practices, except as required or permitted by GAAP; or
(ii) the fiscal year of Transaction Group to end on a day other than December 31 or change Transaction Group's method of determining fiscal quarters.

- (i) Limitation on Other Hedging. Purchase, assume, or hold a speculative position in any commodities market or futures market or enter into any Hedging Transactions.
- (j) Operating Leases. Enter into or remain liable upon any operating lease, except for operating leases which have operating lease obligations of not more than fifty thousand Dollars (\$50,000) in the aggregate owing in any calendar month.
- (k) Sale and Leaseback Transactions and other Off-Balance Sheet Liabilities. Enter into or suffer to exist any (i) sale and leaseback transaction; or (ii) any other transaction pursuant to which it incurs or has incurred off-balance sheet liabilities.
- (l) Amendment or Termination of Material Contracts. Amend, modify or supplement, or permit any amendment, modification or supplement to any Material Contract (as set forth in Schedule XI(l)) if such amendment, modification or supplement would increase the obligations of any Member, would be materially adverse to the interests of any Member or Power Seller, or would result in the occurrence of an Event of Default, or allow any Material Contract to expire or terminate.
- (m) Risk Management Policy. Amend, modify or supplement the Risk Management Policy without obtaining Power Seller's prior written consent.
- (n) Reserved.
- (o) Capital Expenditures. Make or become legally obligated to make any capital expenditure in respect of the purchase or other acquisition of any fixed or capital asset (excluding normal replacements and maintenance which are properly charged to current operations but including Acquisitions), except for (i) capital expenditures in the ordinary course of business not exceeding in the aggregate for Transaction Group one hundred thousand Dollars (\$100,000) for each fiscal year; and (ii) capital expenditures for the purchase of computer software related to the purchase and sale of electric energy.
- (p) Relationship. Misrepresent in any material way to third parties its relationship with Power Seller and its Affiliates, as such relationship is described in the Transaction Documents.
- (q) Customer Contracts. Enter into (i) any Customer Contracts, except as such Customer Contracts are subject to the POR Contract in a Specified Market, without the prior written consent of Power Seller and except to the extent any such Customer Contract is entered into in compliance with the Risk Management Policy; or (ii) any Customer Contract with a fixed price.
- (r) POR Contracts; ISOs. Release any Host Utility from obligations under any POR Contract or release any ISO from any obligation or consent to any of those actions without the prior written consent of Power Seller.
- (s) Distributions. Make any payment to any equity holder of any Power Buyer if such equity holder is not a Member, including any distribution or dividend, except as made to reasonably compensate such equity holder for the cost of the performance of services on behalf of Power Buyer (e.g., if an equity holder

employs personnel performing a billing function for Power Buyer, Power Buyer is permitted to make a commercially reasonable payment to the equity holder to compensate it for the services of such employee that is equal to equity holder's cost to employ such employee to perform such services on behalf of Power Buyer).

- (t) Amendment of Organizational Documents. Amend any organizational document of such Member without the prior written consent of Power Seller.
- (u) Regulatory Status. Except with respect to Power Buyers and the regulation of such entities as "public utilities" under the FPA due to their market-based rate authorization, be or become subject to (i) regulation as a respective "gas corporation", an "electric corporation", an "electric utility", an "electric utility company", a "gas utility", a "gas utility company", a "public utility", a "public utility company" or similar entity under the laws administered by or the regulations of any state; (ii) regulation as an "investment company" within the meaning of the Investment Company Act of 1940; (iii) regulation as a "natural-gas company" under the NGA; (iv) regulation as any of a "public utility company", "gas utility company", an "electric utility company" or a "holding company," as those terms are defined under the PUHCA; (v) an actual or anticipated violation of any rule, regulation, order, tariff, or requirement under any of the FPA, the NGA, or the PUHCA; (vi) regulation by or the jurisdiction of the FERC; or (vii) regulation under the Interstate Commerce Act, any public utilities code or any other applicable Legal Requirement regarding its authority to incur indebtedness or grant liens on, or otherwise transfer, sell, lease, license or otherwise dispose of, its Property.
- (v) Insurance. Materially modify any insurance policy without Power Seller's prior written consent or fail to renew an insurance policy without providing Power Seller at least thirty (30) days' prior written notice of such non-renewal.

XII Events of Default:

- (a) In addition to the Events of Default otherwise set forth in the Master Agreement and herein, the occurrence of any of the following events with respect to a Power Buyer shall constitute an "Event of Default":
 - (i) License Revoked. The revocation of Power Buyer's license or permit (i) to market and sell power in any Specified Market; or (ii) from FERC to purchase and sell power at wholesale; or
 - (ii) Current Exposure; Volume Limits. Power Seller's Exposure exceeds the Credit Base, or the aggregate quantity of Products that the Power Seller is obligated to sell and deliver to Power Buyers in any twelve (12) month period exceeds 2,000,000 MWh or any other Volume Limit that may be established by mutual agreement of the Parties.
- (b) In addition to the Events of Default otherwise set forth in the Master Agreement, the occurrence of any of the following events with respect to a Member shall constitute an "Event of Default" thereunder:
 - (i) Transaction Documents. A failure to perform under any of the Transaction Documents after any applicable notice and cure periods;
 - (ii) Judgments. Any one or more judgments, decrees or orders for the payment of money shall be rendered against Transaction Group in an aggregate amount in excess of fifty thousand Dollars (\$50,000) when aggregated with all such

judgments, decrees or orders and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment, decree or order; or (ii) there shall be any period of thirty (30) consecutive days during which a stay of enforcement of such judgment, decree or order, by reason of a pending appeal or otherwise, shall not be in effect;

- (iii) ERISA. With respect to Transaction Group (i) an ERISA Event occurs with respect to a pension plan or multiemployer plan which has resulted or could reasonably be expected to result in liability of Transaction Group under Title IV of ERISA to the pension plan, multiemployer plan or the PBGC in an aggregate amount in excess of fifty thousand Dollars (\$50,000); or (ii) Transaction Group fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a multiemployer plan in an aggregate amount in excess of twenty-five thousand Dollars (\$25,000);
- (iv) Material Contracts. There shall have been a termination or cancellation of, or a default that would permit the termination or cancellation of, any Material Contract and such termination or cancellation could be expected to have a Material Adverse Effect as determined by Power Seller in its reasonable discretion;
- (v) Change of Control. Any change in its ownership, other than changes of up to twenty five percent (25%) in the ownership of Regional Energy Holdings, Inc.;
- (vi) Transaction Documents. (i) Any of the Transaction Documents, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder, ceases to be in full force and effect; (ii) any Member or any other Person contests in any manner the validity or enforceability of any of the Transaction Documents; or (iii) a Member or one of its equity owners denies that it has any or further liability or obligation under any of the Transaction Documents, or purports to revoke, terminate or rescind, any of the Transaction Documents;
- (vii) Security Documents. Power Seller shall, at any time, fail to have an exclusive first priority security interest in any of the Collateral, subject to applicable Permitted Liens; or
- (viii) Challenge of Joint and Several Liability. Any Member contests its joint and several obligation hereunder.

XIII Responsibility for Fees and other Charges: Each Member shall jointly and severally bear financial responsibility for, and reimburse Power Seller for or pay, as applicable, all fees, charges, and other amounts payable in connection with the Transaction Documents.

XIV Conditions Precedent: The obligation of Power Seller to enter into any transactions or take any other actions set forth in or contemplated by this Base Confirmation are subject to the satisfaction, prior to or concurrently with the entering into of any such transaction or the taking of any such action, of the following conditions precedent (in each case unless waived in writing by Power Seller):

- (a) Documentation. Power Seller shall have received the following from Transaction Group, each of which shall be (i) in the case of the Transaction Documents or

other contracts, agreements or executed documents, originals, or, at the discretion of the Power Seller, telecopies (followed promptly by originals) unless otherwise specified, each properly executed by an authorized officer of each Member that has signed such document, dated on or before the Effective Date; or (ii) in the case of copies of documents that are not contracts or agreements, certified by an officer of each Member that prepared or has signed such document that such copy is a true, correct, and complete copy of the original document, each in form and substance satisfactory to Power Seller in its sole discretion:

- (i) the Master Agreement, including this Base Confirmation;
- (ii) the Guaranty;
- (iii) the Security Agreement, granting to Power Seller an Acceptable Security Interest in the Property of Transaction Group together with any other documents, agreements and instruments necessary to create an Acceptable Security Interest in the Collateral;
- (iv) the Control Agreements necessary with respect to deposits and investments which constitute Collateral to create an Acceptable Security Interest in such deposits and investments and each account holding such deposits and investments;
- (v) the release of all existing liens on the Property of Transaction Group, in a form acceptable to Power Seller, dated as of the Effective Date, duly executed and delivered by the lien holders, including, without limitation, the release of all Existing Senior Debt Liens;
- (vi) a closing certificate from an authorized officer of each Member, in substantially the form of Exhibit XIV(a)(vi), certifying (i) that all representations and warranties of such Member set forth in the Master Agreement and in the other Transaction Documents to which it is a party are true and correct in all material respects; (ii) that no Event of Default, Termination Event or Potential Event of Default has occurred and is continuing; (iii) that the conditions precedent set forth herein have been met; (iv) that attached thereto are true, correct and complete copies of the organizational documents of such Member as in effect on the Effective Date; and (v) as to the incumbency and specimen signature of each officer of such Member executing any Transaction Document or any other agreement, instrument, document or certificate delivered in connection herewith or therewith by or on behalf of such Member;
- (vii) certificates from the appropriate Governmental Authorities certifying as of a recent date acceptable to Power Seller the good standing, existence and authority of each Member in all jurisdictions where required by Power Seller;
- (viii) favorable opinions dated as of the Effective Date, by counsel to Transaction Group in form and substance satisfactory to Power Seller;
- (ix) a Credit Base Certificate in substantially the form set forth in Exhibit XIV(a)(ix) from each Member's CFO dated as of the Effective Date addressed to Power Seller;
- (x) a copy of, or a certificate as to coverage under, the insurance policies required by the Base Confirmation and the applicable provisions of the Security Documents, each of which shall be endorsed or otherwise amended to include

a customary loss payable endorsement to the Power Seller, to name the Power Seller as an additional insured, and to provide that it shall not be cancelled upon less than thirty (30) days' prior written notice thereof by the insurer to Power Seller;

(xi) a copy of the Risk Management Policy as in effect on the Effective Date;

(xii) Reserved;

(xiii) evidence that Transaction Group has instructed each Host Utility to pay all amounts owing to each Power Buyer to each such Power Buyer's Lockbox Account;

(xiv) a fully executed original of the Release Agreement; and

(xv) such other documents, governmental certificates and agreements as Power Seller may reasonably request.

(b) Payment of Fees, Costs, Expenses and Other Amounts. Transaction Group shall have paid Power Seller (i) a set-up fee of fifty thousand Dollars (\$50,000) payable on or prior to the Effective Date; (ii) the Initial Loan Fee payable on or prior to the Power Commencement Date; and (iii) all reimbursements for all fees, costs, expenses and other payments or amounts incurred by Power Seller in connection with the negotiation, drafting and execution of the Transaction Documents, including all amounts reimbursing Power Seller for all costs and expenses (including attorneys' fees and costs of the Power Seller's counsel) (1) which have been invoiced, and (2) any amounts which may be incurred by Power Seller in connection with the negotiation, drafting and execution of the Transaction Documents after the Effective Date. In the event an amount is not known by Power Seller as of the Effective Date, Transaction Group shall reimburse Power Seller such amount by the third (3rd) Local Business Day following Transaction Group's receipt of Power Seller's invoice therefor.

(c) Due Diligence; Corporate Structure. Power Seller shall have completed satisfactory due diligence review of the Property, liabilities, business and operations of Transaction Group and all legal, financial, accounting, governmental, tax and regulatory matters, and fiduciary aspects of Transaction Group. The documentation reflecting the ownership, capital, corporate, tax, organizational and legal structure of Transaction Group shall be acceptable to Power Seller.

(d) Security Documents. Power Seller shall have received all appropriate evidence required by it in its sole discretion necessary to determine that Power Seller has an Acceptable Security Interest in all of the Collateral, including (i) the delivery to Power Seller of such financing statements under the Uniform Commercial Code for filing in such jurisdictions, Trademark Security Agreement Supplement (as defined in the Security Agreement), and stock/membership certificates each as Power Seller may require; and (ii) lien, Tax and judgment searches conducted on Transaction Group reflecting no liens against any of the Collateral as to which perfection of a lien is accomplished by the filing of a financing statement other than any liens created by the Master Agreement.

(e) Financial Statements. Commencing no later than April 30, 2011, Power Seller shall receive true and correct copies of (i) the audited Financial Statements, prepared on a consolidated basis (as such statements are required by Schedule

X(h)); (ii) the unaudited consolidated and consolidating balance sheets and related statements of operations, cash flows and stockholders' equity of Transaction Group as of and for the periods ended December 31, 2010 and each December 31 thereafter and including a reconciliation from GAAP to Non-GAAP Financial Reporting; (iii) the Pro Forma Financial Statements; (iv) the Projections in form and substance reasonably satisfactory to Power Seller; and (v) such other financial information as Power Seller may reasonably request.

- (f) Authorizations and Approvals. Power Seller shall be satisfied that all governmental and third party approvals, consents, permits, and licenses necessary in connection with each Member's execution, delivery and performance of, and the consummation of the transactions contemplated by, this Base Confirmation and the other Transaction Documents to which it is a party shall have been obtained and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened that would restrain, prevent or otherwise impose adverse conditions on this Base Confirmation or any other Transaction Document and the actions contemplated hereby and thereby.
- (g) Existing Senior Debt Payoff; Existing Senior Debt Liens. Power Seller shall have received evidence satisfactory to it in its sole discretion that (i) the Existing Senior Debt Payoff has occurred; and (ii) all Existing Senior Debt Liens in the Collateral or in other Property of a Power Buyer, whether in an Existing Senior Debt Party's individual capacity or as collateral agent or administrative agent for the Existing Senior Debt Parties, have been either assigned to Power Seller or terminated and released of record pursuant to agreements, instruments and documents satisfactory to Power Seller in its sole discretion.
- (h) No Proceeding or Litigation; No Injunctive Relief. No action, suit, investigation or other proceeding (including, without limitation, the enactment or promulgation of a statute or rule) by or before any arbitrator or any Governmental Authority shall be threatened or pending and no preliminary or permanent injunction or order by a state or federal court shall have been entered (i) in connection with this Base Confirmation or any other Transaction Document or any transaction contemplated hereby or thereby; or (ii) which, in any case, in the reasonable judgment of Power Seller, could reasonably be expected to have a Material Adverse Effect.
- (i) No Event of Default or Potential Event of Default. With respect to the Master Agreement, any Customer Contracts and any Material Contract, no event of default or Potential Event of Default shall have occurred and be continuing.
- (j) Solvency. (i) The fair value of the assets of Transaction Group will exceed its debts and liabilities, subordinated, contingent or otherwise; (ii) the present fair saleable value of the Property of Transaction Group will be greater than the amount that will be required to pay the probable liabilities of Transaction Group hereunder or otherwise whether such liabilities are subordinated, contingent or otherwise, as such liabilities become absolute and matured; and (iii) Transaction Group will not have unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted following the Effective Date.
- (k) Representations and Warranties. The representations and warranties of each Member contained herein and in each other Transaction Document then in effect shall be true and correct in all material respects before and after giving effect to

any of the transactions contemplated under any of the Transaction Documents as though made on and as of such date.

- (l) No Material Adverse Effect. Power Seller shall be satisfied that since January 1, 2010, there has been no material adverse change in the condition (financial or otherwise), results of operations, assets, properties, business or prospects of Transaction Group.
- (m) Collateral Posting and Initial Loan. On or prior to the Power Commencement Date, Power Seller, Transaction Group and Montage LLC will work together to effect: (i) the return to Power Seller of the "Original Collateral; (ii) the replacement of the Original Collateral with collateral of equivalent value from Power Seller; and (iii) independent of the timing of events described in clauses (i) and (ii) above, payment to Montage LLC of an amount equal to the value of the Original Collateral, all as more completely described in the Lien Release. Power Seller and Power Buyers agree to take all necessary steps to arrange for the cancellation or return to Power Seller at the end of the Term the collateral posted by Power Seller to ISO-NE and/or PJM. In addition, prior to the Power Commencement Date, Power Seller will loan Transaction Group an amount up to (i) all amounts owing to Montage LLC pursuant to any loans from Montage LLC to any Member, minus (ii) the Original Collateral payment described above, *provided, however*, that the total amount of such loan shall not exceed the value of the Credit Base on the date of such loan, as calculated by Power Seller in a commercially reasonable manner (the "Initial Loan"). Such loaned funds will be used to pay Montage LLC on or before the Power Commencement Date all amounts owing to Montage LLC by Transaction Group other than the Original Collateral, which shall not be recovered twice under this provision. Following such payment and the payment of an amount equal to the Original Collateral, Montage LLC will release all liens it holds on any and all property of Transaction Group, as further described in the Release Agreement. Transaction Group will owe Power Seller a loan fee of one hundred fifty thousand Dollars (\$150,000) (the "Initial Loan Fee") that will be due on the Power Commencement Date. The Initial Loan will be repaid by Transaction Group pursuant to Section VIII.

XV Definitions:

As used herein the following terms shall have the following meanings:

"Acceptable Security Interest" means, with respect to any Property of Transaction Group, any lien on such Property which (i) with respect to any Collateral exists in favor of and for the benefit of Power Seller; (ii) secures the payment and performance of the Secured Obligations; and (iii) is perfected and valid and enforceable against each Member in preference to, and has priority over, any liens or other rights of any other Person therein, except as expressly provided in any of the Transaction Documents.

"Affiliate" shall have the meaning set forth in the Master Agreement.

"Ancillary Services" means those services necessary to support the transmission of electric power from Power Seller to a Power Buyer given the obligations of control areas and transmitting utilities within those control areas to maintain reliable operations of the interconnected transmission system.

"Base Confirmation" has the meaning set forth for such term in the introductory paragraph hereto.

"Bilateral Transaction" means a transaction agreed to by Power Seller for the sale and

purchase of Product, as requested by a Power Buyer no more than one (1) month in advance of the scheduled delivery of such Energy, to be procured by Power Seller in a Specified Market and scheduled in accordance with Schedule V.

"Bilateral Transaction Fee" means an amount equal to \$0.12 per MWh for the quantity of electric energy procured by Power Seller in a Bilateral Transaction.

"Capacity Fee" means \$.50 per kW-month, adjusted pro rata for fractional quantities.

"Collateral" shall have the meaning set forth in the Security Agreement.

"Commitments" means the services and other actions set forth on Schedule V, such Schedule to be revised to add additional ISOs as necessary to reflect all Specified Markets in which Power Buyers are selling electric energy to retail customers.

"Control Agreements" shall have the meaning set forth in the Security Agreement.

"Credit Base" shall have the meaning set forth in Schedule XII(a)(ii).

"Customer" means any Person whose account is covered by a POR Contract that purchases, is obligated to purchase or is obligated with respect to purchases of Products on a retail basis from a Power Buyer.

"Customer Contracts" means all contracts, undertakings and agreements between or among a Power Buyer and any one or more Customers for the purchase of Products.

"Debt" means, for any Person, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

- (a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (b) obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business);
- (c) capital leases;
- (d) all obligations of such Person in respect of letters of credit, bankers' acceptances, bank guarantees, surety bonds or similar instruments which are issued upon the application of such Person or upon which such Person is an account party or for which such Person is in any way liable;
- (e) net obligations of such Person under each hedge transaction;
- (f) off-balance sheet liabilities;
- (g) indebtedness secured by a lien on Property now or hereafter owned or acquired by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse (provided that if such Person has not assumed or otherwise become liable in respect of such Debt, such Debt shall be deemed to be in an amount equal to the lesser of the amount of such Debt and the fair market value of the Property encumbered by such lien);
- (h) mandatorily redeemable stock; and
- (i) all guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Debt of any Person shall include the Debt of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint

venturer, unless such Debt is expressly made non-recourse to such Person. The amount of any net obligation under any hedge transaction on any date shall be deemed to be the net settlement amount which would be owed upon termination thereof as of such date.

“Deferred Operating Expenses” means an amount equal to (i) the Operating Expenses for the month prior to the month in which the Deferred Operating Expenses are calculated, plus (ii) the amount of any collateral any Power Buyer has posted in the month prior to the month in which the Deferred Operating Expenses are calculated, plus (iii) any sales agent commissions paid by any Power Buyer in the month prior to the month in which the Deferred Operating Expenses are calculated, all as calculated by Transaction Group in a commercially reasonable manner.

“Effective Date” means September 22, 2010.

“Eligible Receivables” means the Eligible Billed Host Utility Accounts Receivable plus the Eligible Unbilled Host Utility Accounts Receivable, as such terms are defined in Schedule XII(a)(ii).

“Energy Fee” means an amount equal to \$1.20 per MWh for the quantity of electric energy as calculated in Schedule V.

“Environmental Law” means all former, current and future federal, state, local and foreign laws (including common law), treaties, regulations, rules, ordinances, codes, decrees, judgments, directives, orders (including consent orders), and agreements in each case, relating to protection of the environment, natural resources, human health and safety or the presence, release of, or exposure to, hazardous materials, or the generation, manufacture, processing, distribution, use, treatment, storage, transport, recycling or handling of, or the arrangement for such activities with respect to, hazardous materials.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time-to-time, and any successor statute and all rules and regulations promulgated thereunder.

“ERISA Event” means (i) a Reportable Event with respect to a Pension Plan; (ii) a withdrawal by Power Buyer from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (iii) a complete or partial withdrawal by Power Buyer from a Multiemployer Plan (as such term is defined in ERISA) or notification that a Multiemployer Plan is in reorganization; (iv) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Sections 4041 or 4041A of ERISA, or the commencement of proceedings by the Pension Benefit Guarantee Corporation to terminate a Pension Plan (as such term is defined in ERISA) or Multiemployer Plan; (v) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; or (vi) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Party or any of its subsidiaries or any of their respective ERISA Affiliates.

“ESG Agreement” means the Services Agreement between Energy Services Group, Inc. and Regional Energy Holdings, Inc. dated as of April 7, 2009.

"Existing Senior Debt Liens" means the Liens granted in favor of Montage, LLC to secure the obligations owing to them under the Loan and Security Agreement dated October 19, 2009.

"Existing Senior Debt Party" means Montage, LLC.

"Existing Senior Debt Payoff" means all obligations to Montage, LLC under the Loan and Security Agreement dated October 19, 2009 have been repaid in full and discharged and all commitments for possible future borrowings or letter of credit issuances under such documents have been terminated.

"Exposure" means the sum, calculated in a commercially reasonable matter, including the avoidance of duplicative entries, of: (i) the amounts invoiced and payable under the Master Agreement from Transaction Group to Power Seller, including any Deferred Payment; plus (ii) the value of electric energy delivered to Customers but not yet invoiced by Power Seller; plus (iii) any unpaid portion of the Initial Loan; plus (iv) any other amounts invoiced by Power Seller but unpaid by Transaction Group; plus (v) the amount, if any, that would be payable to Power Seller by the Transaction Group (expressed as a positive number) or by Power Seller to the Transaction Group (expressed as a negative number) pursuant to Section 6(e)(ii)(2)(A) of the Master Agreement as if all Transactions were being terminated on the day on which the Exposure is calculated.

"FERC" means the Federal Energy Regulatory Commission or any successor entity.

"Financial Statements" means statements prepared by Transaction Group showing the financial condition of each Member to which any such Financial Statement applies, including its assets, liabilities, equity, profit, and loss.

"FPA" has the meaning set forth in Section IX(r).

"GAAP" means generally accepted accounting principles in the United States.

"Governmental Authority" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank, or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government including without limitation, any state public utility commission or similar agency, NERC, FERC and any ISO.

"Guaranty" means a guaranty duly executed and delivered by Michael Fallquist in favor of Power Seller and acceptable to Power Seller in its sole discretion.

"Hedging Transactions" means basis swaps, fixed for floating swaps, NYMEX or other exchange-based swaps or options, fixed-price physical supply transactions and other similar fixed-price transactions. For the avoidance of doubt, Bilateral Transactions shall not constitute Hedging Transactions for the purposes of this Base Confirmation.

"Host Utility" means Pennsylvania Power and Light, United Illuminating Company, Atlantic City Electric, Public Service Electric and Gas, Connecticut Light and Power Company, Rockland Electric Company, Jersey Central Power and Light Company, Baltimore Gas and Electric, Potomac Electric Power Company and such other utility acceptable to Power Seller with which a Power Buyer enters into an agreement for billing services and/or for the purchase of electric accounts receivable. No utility will be deemed to be a Host Utility absent Power Seller's prior written consent.

“Initial Loan” has the meaning set forth in Section XIV(m).

“Initial Loan Fee” has the meaning set forth in Section XIV(m).

“ISO” means Independent System Operator.

“ISO-NE” means the New England Power Pool and any successor thereto.

“ISO Obligations” means with respect to any Person, such Person’s obligations to any ISO, whether arising in law or by contract, and including both monetary and non-monetary obligations.

“kW” means kilowatt.

“kWh” means kilowatt-hour.

“Legal Requirement” means, as to any Person, any law, statute, ordinance, decree, award, requirement, order, writ, judgment, injunction, rule, regulation (or official interpretation of any of the foregoing) of, and the terms of any license or permit issued by, any Governmental Authority which is binding on such Person.

“Lien Release” means that certain Release Agreement between Power Seller, Montage LLC and Transaction Group dated of even date herewith.

“Lockbox Account” means that certain account of Transaction Group with Citibank N.A. #1255342461 that is subject to the terms of a Limited Account Deposit Agreement between one or more Members, Power Seller and Citibank N.A., or any subsequent account mutually agreed to by Power Seller and Transaction Group, pursuant to which Transaction Group waives its check writing and ACH privileges and designates Power Seller as administrator on the account.

“LSE” has the meaning set forth in Section IX(d).

“Margin Ratio” means the result of dividing (i) the Operating Income of Power Buyers for the three (3) month period then ended, by (ii) the total Operating Revenue of Power Buyers for the three (3) month period then ended.

“Master Agreement” shall have the meaning set forth for such term in the introductory paragraphs hereto.

“Material Adverse Effect” means a material adverse effect upon (i) the business, results of operations, prospects, Property or condition (financial or otherwise) of any Member; (ii) the ability of a Member to perform its material obligations under the Transaction Documents to which it is a party; or (iii) the validity or enforceability against any Member of any of the Transaction Documents or any of the material rights or remedies of Power Seller hereunder or thereunder.

“Material Contract” means the Transaction Documents (other than this Base Confirmation) and all contracts listed in Schedule XI(I).

“Member” means any Power Buyer or Obligor.

“Minimum Annual Payment” shall have the meaning set forth in Section VII(b).

“Minimum Balance” will equal one million Dollars (\$1,000,000) for each month in Year 1. At the end of Year 1 and at the end of each twelve (12) month period thereafter, Power Seller will calculate, in a commercially reasonable manner, the Minimum Balance for the following twelve (12) month period by multiplying by two (2) the average monthly Operating Expenses for the Power Buyers during the

immediately prior twelve (12) month period. By way of example, at the end of Year 1, Power Seller will calculate the Minimum Balance for Year 2 by doubling the average monthly Operating Expenses for Power Buyers during Year 1.

“Minimum Termination Fee” shall have the meaning set forth for such term in Section VII(c).

“MW” means one thousand kilowatts of electricity.

“MWh” means one thousand kilowatt-hours of electricity.

“NERC” means the North American Reliability Corporation and any successor entity.

“NGA” shall have the meaning set forth in Section IX(r).

“Non-GAAP Financial Reporting” means any method of reporting financial information that does not abide by GAAP.

“Operating Account” means that certain account of Transaction Group with Citibank, N.A. #1255342453 that is subject to that certain Blocked Account Agreement between one or more Members, Power Seller and Citibank N.A.

“Operating Expense Coverage Ratio” means the product of dividing Unrestricted Cash by the average monthly Operating Expenses for the three calendar months preceding the date on which the Operating Expense Coverage Ratio is calculated.

“Operating Expenses” means the reasonable sales, operating and administrative costs (excluding sales agent commissions) for the Transaction Group in a calendar month.

“Operating Income” means Operating Revenue minus the cost of Products purchased to deliver electric energy to Customers.

“Operating Revenue” means revenue received by Power Buyers for the sale of electric energy to Customers.

“Original Collateral” has the meaning set forth in the Lien Release.

“Permitted Liens” means liens incurred by a Member as part of the purchase or lease of office equipment, furnishings or supplies; *provided, however*, that (i) all Permitted Liens must be held by the seller of such office equipment, furnishings or supplies; and (ii) the aggregate value of all Permitted Liens may not exceed \$200,000.00 at any time outstanding.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental body or other entity.

“Physical Payment Date” means the twentieth (20th) day of the month following a delivery month, *provided* that if such date is not a Local Business Day, the Physical Payment Date shall be the first (1st) day immediately prior to the day that is a Local Business Day.

“PJM” means PJM Interconnection, LLC and any successor thereto.

“Plan” means a pension plan or a multiemployer plan.

“POR Contract” means, the (i) Electric Supplier Service Agreement between The United Illuminating Company and Viridian Energy, Inc. (f/k/a New England Gas & Electric, Inc.) dated May 6, 2009 and such other similar agreement by Power Buyer and a Host Utility consented to by Power Seller; (ii) Electric Supplier Service Agreement between The Connecticut Light and Power Company and Viridian

Energy, Inc. dated July 6, 2009 and such other similar agreement by Power Buyer and a Host Utility consented to by Power Seller; (iii) Third Party Supplier Customer Account Services Master Service Agreement between Public Service Electric and Gas Company and Viridian Energy PA LLC dated April 20, 2010 and such other similar agreement by Power Buyer and a Host Utility consented to by Power Seller; (iv) Third Party Supplier Agreement between Public Service Electric and Gas Company and Viridian Energy PA LLC dated April 20, 2010 and such other similar agreement by Power Buyer and a Host Utility consented to by Power Seller; (v) Third Party Supplier Customer Account Services Master Service Agreement between Rockland Electric Company and Viridian Energy PA LLC dated May 7, 2010 and such other similar agreement by Power Buyer and a Host Utility consented to by Power Seller; (vi) Third Party Supplier Agreement between Rockland Electric Company and Viridian Energy PA LLC dated May 7, 2010 and such other similar agreement by Power Buyer and a Host Utility consented to by Power Seller; (vii) Third Party Supplier Customer Account Services Master Service Agreement between Jersey Central Power and Light Company and Viridian Energy PA LLC dated April 30, 2010 and such other similar agreement by Power Buyer and a Host Utility consented to by Power Seller; (viii) Third Party Supplier Agreement between Jersey Central Power and Light Company and Viridian Energy PA LLC dated April 30, 2010 and such other similar agreement by Power Buyer and a Host Utility consented to by Power Seller; (ix) Billing Services Agreement between Baltimore Gas and Electric Company and Viridian Energy PA LLC dated July 8, 2010 and such other similar agreement by Power Buyer and a Host Utility consented to by Power Seller; (x) Supplier Coordination Agreement between Baltimore Gas and Electric Company and Viridian Energy PA LLC dated May 6, 2010 and such other similar agreements by Power Buyer and a Host Utility consented to by Power Seller; (xi) Electronic Data Interchange Trading Partner Agreement between Baltimore Gas and Electric Company and Viridian Energy PA LLC dated May 6, 2010 and such other similar agreements by Power Buyer and a Host Utility consented to by Power Seller; (xii) Customer Consumption Data Reporting Agreement between Baltimore Gas and Electric Company and Viridian Energy PA LLC dated May 14, 2010 and such other similar agreements by Power Buyer and a Host Utility consented to by Power Seller; (xiii) Third Party Supplier Customer Account Services Master Service Agreement between Atlantic Electric Company and Viridian Energy PA LLC dated April 22, 2010 and such other similar agreements by Power Buyer and a Host Utility consented to by Power Seller; (xiv) Third Party Supplier Agreement between Atlantic Electric Company and Viridian Energy PA LLC dated April 22, 2010 and such other similar agreements by Power Buyer and a Host Utility consented to by Power Seller; (xv) Individual Coordination Agreement between PP&L, Inc. and Viridian Energy PA LLC dated November 6, 2009 and such other similar agreements by Power Buyer and a Host Utility consented to by Power Seller; and (xvi) Supplier Coordination Agreement Maryland between the Potomac Electric Power Company and Viridian Energy PA LLC dated as of June 11, 2010 and such other similar agreements by Power Buyer and a Host Utility consented to by Power Seller.

“Potential Event of Default” means an event which, with the provision of notice or the passage of time, would become an Event of Default (when reference is made to this Master Agreement), or an event of default or similar occurrence (when reference is made to any other agreement).

“Power Annex” means that certain Power Annex forming a part of the Schedule to the Master Agreement.

“Power Commencement Date” means the date on which (i) Power Seller is recognized by ISO-NE and PJM as the Scheduling Agent for all Power Buyers; (ii) a Declaration of Authority has been executed by Transaction Group and Power Seller and accepted by PJM designating Power Seller the Financially Responsible Party for Power Buyers in PJM; and (iii) all Conditions Precedent have been satisfied by Transaction Group.

“Power Commitment Termination Date” means the earlier of (i) September 30, 2013; and (ii) the date on which all transactions entered into in accordance with this Base Confirmation have terminated; *provided, however*, that this Base Confirmation shall continue in effect with respect to each transaction outstanding on the Power Commitment Termination Date until all such transactions have terminated.

“Products” means electric energy, capacity, Ancillary Services, SRECs and other products agreed upon in writing by Power Seller.

“Pro Forma Financial Statement” means financial statements for Transaction Group for the prior year not prepared pursuant to GAAP with adjustments agreed to by Power Seller.

“Projections” means an unaudited, forward-looking financial statement, prepared in good faith and based on reasonable assumptions, showing the subject Person's assets and liabilities, or income and expenses, that may be recognized in the future by such Person.

“Property” of any Person means any interest of such Person in any property or asset (whether real, personal or mixed, tangible or intangible).

“PUHCA” shall have the meaning set forth in Section IX(r).

“Required Registration” means any and all NERC, FERC, state, local and other regulatory-related registrations required to be made by any Member to conduct its business and any contract related thereto.

“Response” shall have the meaning set forth in Section IX(aa)(ii).

“Risk Management Policy” shall have the meaning set forth in Schedule X(k).

“Schedule” means that certain Schedule to the Master Agreement between Power Seller and Transaction Group dated as of September 22, 2010.

“Secured Obligations” shall have the meaning set forth in the Security Agreement.

“Security Agreement” means the Security Agreement dated as of September 22, 2010 between Transaction Group and Power Seller.

“Security Document” means (i) any Security Document defined in the Security Agreement, and (ii) any Guaranty.

“Specified Documents” means the POR Contracts, ESG Agreement and the Customer Contracts.

"Specified Markets" means Pennsylvania, Connecticut, Maryland, New York, New Jersey, PJM, ISO-New England, and each other market in the United States which Power Seller has, in its sole discretion, approved in writing for inclusion as a Specified Market.

"SRECs" means tradable, non-tangible credits issued by a State in the United States that represent proof that one (1) MWh of electricity was generated from a solar energy eligible renewable energy resource.

"Supply Fee" means for any period the sum of the Energy Fee, the Capacity Fee, and the Bilateral Transaction Fee for such period.

"Tax" means any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) that is imposed by any government or other taxing authority in respect of any payment under the Master Agreement other than a stamp, registration, documentation or similar tax.

"Term" shall have the meaning set forth for such term in Section IV(a) of this Base Confirmation.

"Transaction Documents" means the Security Agreement, Lien Release, Guaranty, Control Agreements, this Base Confirmation and the Master Agreement.

"Transaction Group" has the meaning set forth in the introductory paragraphs hereto.

"Transactions" means transactions to sell power under a POR Contract.

"Unrestricted Cash" means the cash held in the Transaction Groups' accounts with Citibank other than the Lockbox Account.

XVI Miscellaneous:

(a) In the event of any inconsistency between the provisions of this Base Confirmation and any other Transaction Documents, this Base Confirmation will prevail. In the event of any inconsistency between Schedule V and this Base Confirmation, Schedule V will prevail.

(b) This Base Confirmation will be interpreted and construed in accordance with the laws of the State of New York.

XVII Notices

All notices delivered to Regional Energy Holdings, Inc. shall be deemed to have been properly given when delivered using one of the below methods as prescribed in Schedule XVII.

A notice delivered to any Member shall be deemed to constitute sufficient and effective notice to all members of Transaction Group. Power Seller shall have no obligation to deliver any notices to Transaction Group except as pursuant to this Section XVII.

All payments to Transaction Group by a Host Utility shall be made to the following Lockbox Account:

Bank: Citibank N.A.

Address: 586 Connecticut Avenue
Norwalk, CT 06854

Account Number: 1255342461

ABA Number: 221172610 (for both wires and non-wires)

Instructions: Regional Energy Holdings, Inc.- Concentration Account

(signatures follow)

Please sign below to confirm that the terms stated herein accurately reflect the agreement reached between the Parties on the Effective Date.

MACQUARIE ENERGY LLC

REGIONAL ENERGY HOLDINGS, INC.

By:
Name:
Title:

By:_____
Name: Michael J. Fallquist
Title: CEO

VIRIDIAN ENERGY, INC.

By:_____
Name: Michael J. Fallquist
Title: CEO

VIRIDIAN ENERGY MD LLC

By:_____
Name: Michael J. Fallquist
Title: CEO

VIRIDIAN ENERGY NJ LLC

By:_____
Name: Michael J. Fallquist
Title: CEO

VIRIDIAN ENERGY NY, LLC

By:_____
Name: Michael J. Fallquist
Title: CEO

VIRIDIAN ENERGY PA LLC

By:_____
Name: Michael J. Fallquist
Title: CEO

VIRIDIAN NETWORK, LLC

By: _____

Name: Michael J. Fallquist

Title: CEO

Viridian Energy NJ LLC

Exhibit C-5

“Forecasted Financial Statements,” provide two years of forecasted financial statements (balance sheet, income statement, and cash flow statement) for the applicant’s CRNGS operation, along with a list of assumptions, and the name, address, email address, and telephone number of the preparer.

See attached.

[illegible]

Operating Revenue	14,592,485	13,600,205	14,789,348	13,933,387	11,765,668	21,084,666	26,556,136	24,604,595	22,633,329	21,918,678	23,243,069	26,995,690
Net Interest Revenue	416,348	450,000	464,310	699,932	547,800	563,391	577,839	598,537	591,720	591,720	605,248	605,248
Total Revenue	14,939,205	14,029,205	15,313,478	14,633,318	12,727,462	21,913,607	27,519,673	25,608,453	23,740,317	22,513,388	23,848,317	27,600,938
Cost of Sales	11,844,800	11,357,453	11,886,051	10,221,449	9,010,578	16,850,905	23,062,910	21,708,311	19,622,712	18,659,098	19,984,984	23,076,320
Gross Margin as % of Other	58.41%	1,127,242	1,347,226	3,700,877	4,785,206	7,483,502	6,768,616	3,599,712	5,019,664	5,551,249	5,863,333	6,524,618
Gross Margin as % of Other	4%	8%	22%	20%	27%	22%	14%	14%	27%	25%	27%	27%
Selling & Marketing Expenses	930,318	679,000	780,754	876,685	721,455	1,320,151	1,536,671	1,127,132	2,074,330	1,412,981	1,587,387	1,843,593
General & Admin Expenses	1,081,143	1,300,000	780,350	274,955	748,572	818,467	860,233	1,008,440	1,000,311	1,165,121	1,271,864	1,378,282
Total SG&A Expenses	2,011,461	1,979,000	1,561,104	1,151,640	1,470,027	2,138,618	2,400,904	2,035,573	3,074,641	2,578,102	2,859,251	3,221,875
Net Income from Operating Activities	(1,457,147)	1,864,373	1,864,373	2,139,016	2,647,662	1,880,182	920,112	1,923,183	2,095,197	2,095,197	2,095,197	2,095,197
Less Other Expenses/(Income)												
Interest Expense (net)	346,677	357,336	332,420	290,996	257,835	460,704	631,137	571,361	528,105	497,042	533,589	624,904
Unrealized Gain/(Loss) on Securities	1,327,134	(1,401,791)	26,000	27,113	28,280	29,466	30,621	31,488	31,489	34,426	35,722	37,005
Depreciation & Amortization	(3,266,307)	415,378	1,515,953	1,820,901	1,504,931	2,322,489	677,864	2,322,489	1,387,839	2,468,829	2,468,827	2,468,827
Net Income before Tax	(895,000)	(574,736)	575,952	891,345	157,893	806,544	257,298	120,397	517,499	938,155	944,614	832,385
Tax Expense												
Net Income After Tax	(895,000)	(574,736)	575,952	891,345	157,893	806,544	257,298	120,397	517,499	938,155	944,614	832,385
Net Income as % of Sales	-7.1%	-4.1%	3.9%	6.0%	1.2%	2.9%	0.9%	0.5%	2.2%	4.1%	4.1%	3.0%

Current Assets	Cash - unrestricted	2,392,350	1,355,642	1,303,513	4,438,716	6,537,132	11,336,385	9,427,885	6,095,999	7,547,706	10,700,042	12,999,301	6,040,558
	Accounts receivable	2,340,000	2,340,000	2,340,000	2,440,000	1,565,450	14,796,666	21,155,599	23,153,865	21,146,757	19,510,750	20,146,353	22,997,721
Non-current Assets	Property, plant and equipment	13,432,330	13,431,581	13,045,010	12,952,307	11,500,340	1,478,966	1,478,966	1,478,966	13,582,027	12,448,606	12,655,273	12,748,606
	At-risk/unfunded	6,233,986	7,893,702	7,633,383	6,162,068	6,460,383	11,398,346	11,398,346	11,398,346	11,398,346	11,398,346	11,398,346	11,398,346
Other Current Assets	Other current assets	(992,432)	502,377	502,377	502,377	502,377	502,377	502,377	502,377	502,377	502,377	502,377	502,377
	Long-term assets	25,266,758	16,833,025	27,651,011	28,185,393	22,784,332	37,991,755	45,904,716	44,715,312	42,738,468	42,738,468	46,453,319	43,510,739
Current Liabilities	Current assets	1,803,006	1,192,096	1,192,096	1,192,096	1,192,096	1,192,096	1,192,096	1,192,096	1,192,096	1,192,096	1,192,096	1,192,096
	Current liabilities	(757,644)	(757,644)	(757,644)	(757,644)	(757,644)	(757,644)	(757,644)	(757,644)	(757,644)	(757,644)	(757,644)	(757,644)
Capital Assets	Capital assets	529,333	529,333	529,333	529,333	529,333	529,333	529,333	529,333	529,333	529,333	529,333	529,333
	Capitalized financial costs	1,364,325	1,235,385	1,235,385	1,235,385	1,235,385	1,235,385	1,235,385	1,235,385	1,235,385	1,235,385	1,235,385	1,235,385
Total Assets		21,027,001	26,073,860	28,396,795	29,410,704	29,018,629	59,317,893	41,111,084	45,435,716	44,995,702	44,166,752	47,655,100	44,607,211
Current Liabilities	Current liabilities	806,578	967,673	967,673	967,673	967,673	967,673	967,673	967,673	967,673	967,673	967,673	967,673
	Accounts receivable	16,536,515	17,756,995	16,571,974	16,571,974	14,673,337	22,554,571	23,825,536	27,790,020	24,113,244	22,136,444	24,000,000	27,790,020
Non-current Liabilities	Accounts receivable	2,274,770	2,844,632	2,844,632	2,844,632	2,844,632	2,844,632	2,844,632	2,844,632	2,844,632	2,844,632	2,844,632	2,844,632
	Deferred revenue	2,274,770	2,274,770	2,274,770	2,274,770	2,274,770	2,274,770	2,274,770	2,274,770	2,274,770	2,274,770	2,274,770	2,274,770
Other Current Liabilities	Other current liabilities	(1,055,480)	(480,385)	(480,385)	(480,385)	(480,385)	(480,385)	(480,385)	(480,385)	(480,385)	(480,385)	(480,385)	(480,385)
	Other current liabilities	(1,055,480)	(480,385)	(480,385)	(480,385)	(480,385)	(480,385)	(480,385)	(480,385)	(480,385)	(480,385)	(480,385)	(480,385)
Total Liabilities & Shareholders' Equity		21,027,001	26,073,860	28,396,795	29,410,704	29,018,629	59,317,893	41,111,084	45,435,716	44,995,702	44,166,752	47,655,100	44,607,211

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990			
Operating activities																																					
Net income																																					
Adjustments for non-cash and working capital items:																																					
Depreciation																																					
Increased/Decreased in A/R																																					
Increased/Decreased in PPE																																					
Increased/Decreased in AP																																					
Increased/Decreased in other current liabilities																																					
Increased/Decreased in taxes & sales taxes payable																																					
Net cash provided by operating activities																																					
Investing activities																																					
Capital expenditures																																					
Net cash provided by investing activities																																					
Financing activities																																					
Revolving credit facility																																					
Net cash provided by financing activities																																					
Net cash increased/decreased																																					
Operating cash																																					
Supplemental cash																																					
Other cash																																					

Regional Energy Holdings, Inc.
Consolidated Unaudited Monthly Pro Forma Financial Statements

	2017-12	2018-12	2019-12	2020-12	2021-12	2022-12	2023-12	2024-12	2025-12	2026-12	2027-12	2028-12	2029-12	2030-12
Energy Revenue	29,074,920	30,075,336	32,348,879	32,596,850	44,841,255	53,427,388	48,481,763	45,586,575	45,391,554	46,194,031	47,805,695	49,417,359	51,029,023	52,640,687
Net Income	6,900,555	6,213,388	6,579,411	6,500,556	9,459,845	4,888,729	1,477,487	2,085,533	4,655,605	7,410,945	7,410,945	7,410,945	7,410,945	7,410,945
Total Revenue	29,074,920	30,075,336	32,348,879	32,596,850	44,841,255	53,427,388	48,481,763	45,586,575	45,391,554	46,194,031	47,805,695	49,417,359	51,029,023	52,640,687
Cost of Sales	26,542,382	26,542,382	26,542,382	26,542,382	26,542,382	26,542,382	26,542,382	26,542,382	26,542,382	26,542,382	26,542,382	26,542,382	26,542,382	26,542,382
Gross Margin 65 % of Sales	2,532,538	3,532,954	5,806,497	6,054,468	18,298,873	26,885,006	21,939,381	19,044,193	18,849,172	19,551,649	21,263,313	22,874,977	24,486,641	26,098,305
Selling & Marketing Expenses	1,180,726	2,038,114	2,373,424	2,167,509	1,817,026	2,448,390	3,444,601	3,254,639	2,994,480	3,085,161	3,231,656	3,378,151	3,524,646	3,671,141
General & Admin Expenses	1,353,527	1,423,574	1,594,801	1,584,301	1,812,255	1,758,179	1,655,179	1,655,179	1,655,179	1,655,179	1,655,179	1,655,179	1,655,179	1,655,179
Total SG&A Expenses	2,534,253	3,461,688	3,968,225	3,751,810	3,629,281	4,206,569	5,100,180	4,910,158	4,649,659	4,740,340	4,886,835	5,033,330	5,179,825	5,326,320
Net Income from Operating Activities	67,275	819,548	1,337,537	4,111,453	13,669,592	4,678,437	1,839,191	1,075,015	3,999,413	5,513,479	5,513,479	5,513,479	5,513,479	5,513,479
Less Other Expenses/(Income)	67,275	664,433	669,316	644,234	576,437	956,894	1,186,611	1,096,853	929,462	845,935	884,477	1,016,072	1,147,669	1,280,256
Net Income (Loss) After Other Expenses	0	155,115	668,221	3,467,219	13,093,155	3,721,543	652,580	978,162	3,069,951	4,667,544	4,629,002	4,629,002	4,629,002	4,629,002
Depreciation & Amortization	18,410	18,410	18,410	18,410	18,410	18,410	18,410	18,410	18,410	18,410	18,410	18,410	18,410	18,410
Net Income Before Tax	18,410	173,525	686,631	3,485,629	13,111,565	3,739,953	670,990	996,572	3,088,361	4,685,954	4,647,592	4,647,592	4,647,592	4,647,592
Tax Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income After Tax	18,410	173,525	686,631	3,485,629	13,111,565	3,739,953	670,990	996,572	3,088,361	4,685,954	4,647,592	4,647,592	4,647,592	4,647,592
Net Income as % of Sales	0.06%	0.58%	2.12%	10.39%	29.46%	7.00%	1.38%	2.19%	6.81%	10.14%	9.73%	9.48%	9.11%	8.83%
Current Assets	6,213,391	5,210,076	3,634,632	3,652,214	6,506,559	9,459,849	4,888,742	1,347,350	2,085,036	4,655,608	7,410,950	7,410,950	7,410,950	7,410,950
Cash, unrestricted	22,189,246	28,710,231	28,297,045	26,506,719	27,480,495	32,608,191	44,239,735	44,239,735	44,239,735	44,239,735	44,239,735	44,239,735	44,239,735	44,239,735
Accounts receivable	1,597,146	1,597,146	1,597,146	1,597,146	1,597,146	1,597,146	1,597,146	1,597,146	1,597,146	1,597,146	1,597,146	1,597,146	1,597,146	1,597,146
Other Current Assets	47,880,038	46,971,904	50,299,754	51,531,735	48,843,517	68,831,207	78,135,313	78,135,313	78,135,313	78,135,313	78,135,313	78,135,313	78,135,313	78,135,313
Long-term Assets	1,488,455	1,358,280	1,388,309	1,641,054	1,691,313	1,747,668	1,812,579	1,858,349	1,915,791	1,973,911	2,032,439	2,091,056	2,149,673	2,208,290
Capital Assets	645,291	645,291	645,291	645,291	645,291	645,291	645,291	645,291	645,291	645,291	645,291	645,291	645,291	645,291
Less Accumulated Depreciation	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Net Capital Assets	47,880,038	46,971,904	50,299,754	51,531,735	48,843,517	68,831,207	78,135,313	78,135,313	78,135,313	78,135,313	78,135,313	78,135,313	78,135,313	78,135,313
Current Liabilities	967,523	967,523	967,523	967,523	967,523	967,523	967,523	967,523	967,523	967,523	967,523	967,523	967,523	967,523
Accounts payable	31,180,196	31,257,755	32,881,692	31,177,469	32,126,454	32,126,454	32,126,454	32,126,454	32,126,454	32,126,454	32,126,454	32,126,454	32,126,454	32,126,454
Accrued expenses	2,338,248	2,338,248	2,338,248	2,338,248	2,338,248	2,338,248	2,338,248	2,338,248	2,338,248	2,338,248	2,338,248	2,338,248	2,338,248	2,338,248
Short-term liabilities	1,613,310	1,613,310	1,613,310	1,613,310	1,613,310	1,613,310	1,613,310	1,613,310	1,613,310	1,613,310	1,613,310	1,613,310	1,613,310	1,613,310
Long-term liabilities	194,936	194,936	194,936	194,936	194,936	194,936	194,936	194,936	194,936	194,936	194,936	194,936	194,936	194,936
Other Current Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Shareholders Equity	39,210,725	40,210,122	40,055,852	38,117,177	54,940,006	50,511,579	62,419,066	58,205,280	57,113,688	50,705,372	51,040,105	53,765,724	56,491,349	59,216,974
Preferred stock	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Retained earnings	653,620	903,620	903,620	903,620	903,620	903,620	903,620	903,620	903,620	903,620	903,620	903,620	903,620	903,620
Total Liabilities & Shareholders Equity	40,079,932	50,120,009	51,477,002	52,601,611	50,005,112	67,977,884	60,720,855	76,006,564	71,255,415	77,792,095	76,462,595	81,339,082	85,013,693	88,698,948
Operating activities	66,641	1,492,353	2,123,236	1,516,670	2,407,212	884,850	54,571	1,846,895	2,903,830	2,895,111	2,151,875	2,151,875	2,151,875	2,151,875
Net income	66,641	1,492,353	2,123,236	1,516,670	2,407,212	884,850	54,571	1,846,895	2,903,830	2,895,111	2,151,875	2,151,875	2,151,875	2,151,875
Adjustments for non-cash and working capital items:	38,410	39,791	41,200	42,638	44,104	45,596	47,125	48,662	50,197	51,732	53,267	54,802	56,337	57,872
Depreciation	18,410	18,410	18,410	18,410	18,410	18,410	18,410	18,410	18,410	18,410	18,410	18,410	18,410	18,410
Change in accounts receivable	1,597,146	1,597,146	1,597,146	1,597,146	1,597,146	1,597,146	1,597,146	1,597,146	1,597,146	1,597,146	1,597,146	1,597,146	1,597,146	1,597,146
Change in accounts payable	2,338,248	2,338,248	2,338,248	2,338,248	2,338,248	2,338,248	2,338,248	2,338,248	2,338,248	2,338,248	2,338,248	2,338,248	2,338,248	2,338,248
Change in other current liabilities	1,613,310	1,613,310	1,613,310	1,613,310	1,613,310	1,613,310	1,613,310	1,613,310	1,613,310	1,613,310	1,613,310	1,613,310	1,613,310	1,613,310
Change in long-term liabilities	194,936	194,936	194,936	194,936	194,936	194,936	194,936	194,936	194,936	194,936	194,936	194,936	194,936	194,936
Change in other non-cash items	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net cash provided by operating activities	18,410	173,525	686,631	3,485,629	13,111,565	3,739,953	670,990	996,572	3,088,361	4,685,954	4,647,592	4,647,592	4,647,592	4,647,592
Investing activities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital expenditures	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net cash provided by investing activities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financing activities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net cash provided by financing activities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net cash increase/decrease	18,410	173,525	686,631	3,485,629	13,111,565	3,739,953	670,990	996,572	3,088,361	4,685,954	4,647,592	4,647,592	4,647,592	4,647,592
Operating cash	18,410	173,525	686,631	3,485,629	13,111,565	3,739,953	670,990	996,572	3,088,361	4,685,954	4,647,592	4,647,592	4,647,592	4,647,592
Operating cash	18,410	173,525	686,631	3,485,629	13,111,565	3,739,953	670,990	996,572	3,088,361	4,685,954	4,647,592	4,647,592	4,647,592	4,647,592