TIOGA ENERGY

June 27, 2011

Michael A. Pastor
Chairman of the Board
Gila County Board of Supervisors
1400 E. Ash Street
Globe, AZ 85501

RE: Solar Photovoltaic Power Purchase Agreement Letter of Intent

Mr. Pastor:

On behalf of Tioga Energy, Inc. ("Tioga"), I would like to thank you for selecting Tioga Energy to finance, own and operate solar photovoltaic facilities ("Facilities") at select County properties for the purpose of generating and selling electricity to Gila County under a long term solar Power Purchase Agreement ("PPA").

Attachment A to this Letter of Intent (LOI) highlights the proposed key terms of a Power Purchase Agreement between Tioga and Gila County.

By signatures affixed to this letter, Tioga and Gila County agree to the following:

1. Tioga and Gila County will pursue in good faith and expend the necessary resources and time to negotiate a definitive PPA which, subject to mutual agreement through negotiation, will be generally based on the attached PPA Term Sheet and will include additional provisions customarily addressed in power purchase agreements.

2. Tioga and Gila County will pursue negotiations promptly and diligently so as to enable the Facility to qualify for investment tax credit (or U.S. Treasury Grant in lieu of tax credit) under the Internal Revenue Code, and the Arizona Public Service Solar Energy incentive program.

3. Tioga will perform a title search of Gila County's properties as part of the due diligence associated with permanent financing of the Facility, and Gila County and Tioga will establish a plan to resolve any title-related issues which would otherwise present a barrier to the closing of permanent Facility financing.

4. Prior to the execution of a definitive PPA, Tioga will form a new special purpose limited liability company (LLC) which will serve as the counterparty to the PPA with Gila County.

5. Gila County will provide financial information necessary for Tioga's lender to complete a credit review as part of the due diligence associated with permanent financing of the Facility.

6. Gila County will provide site-related information as requested by Tioga to confirm project feasibility, complete incentive application paperwork, and related activities in a timely fashion.

7. During the 180 day period commencing on the date it countersigns this letter, Gila County will negotiate exclusively with Tioga for the provision of services relating to solar photovoltaic Facilities at Gila County's properties.

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8. Except as deemed solely by Gila County to be required under Arizona's Public Records Law, A.R.S. Title 39, Chapter 1, and Open Meeting Law, A.R.S. Title 38, Chapter 3, Article 3.1 or other public disclosure laws or regulations, or as otherwise mutually agreed, Gila County and Tioga shall not:

   a. Disclose any information received from the other to any person other than members, agents and employees of PV Advanced Concepts, an Arizona Limited Liability Company (hereinafter, collectively, "PV Advanced Concepts"), advisors, investors, or lenders involved in the negotiation of a contract or financing the Facility.

   b. Use any information received from the other except in connection with evaluation of a possible agreement between the parties.

   Gila County and Tioga will require the same standard of non-disclosure from any outside parties with whom they may consult, provided that this provision shall not apply to Gila County's contacts with PV Advanced Concepts, with whom Tioga has entered into a separate non-disclosure agreement. This non-disclosure provision between the parties hereto shall remain in effect for one year from the date of this letter.

9. Each party will be responsible to pay for its own costs in connection with the items agreed to above, including costs of consultants, accountants, and attorneys, provided that Tioga shall be solely responsible for all monies payable to PV Advanced Concepts, Including, but not limited to, fees, costs, reimbursements and commissions.

Neither party is obligated to enter into a PPA, and any obligations other than those explicitly agreed to herein will arise only in accordance with, and subject to, a definitive PPA, if such an agreement is actually executed by Gila County and Tioga. If this is all acceptable, please sign and return to me one of the two originals of this letter which are enclosed.

We very much appreciate the opportunity to participate in this exciting project and are prepared to move forward quickly.

Sincerely,

TIOGA ENERGY, INC.

By: Marc Roper
Title: VP, Sales and Marketing

Date: _____

AGREED TO AND ACCEPTED:
Gila County

By: Michael A. Pastor
Title: Chairman, Gila County Board of Supervisors

Date: 6/28/11

ATTEST:
Marian Sheppard, Clerk, Gila County Board of Supervisors

Approved As To Form
Bryan B. Chambers
Chief Deputy Gila County Attorney

8. Except as deemed solely by Gila County to be required under Arizona's Public Records Law, A.R.S. Title 39, Chapter 1, and Open Meeting Law, A.R.S. Title 38, Chapter 3, Article 3.1 or other public disclosure laws or regulations, or as otherwise mutually agreed, Gila County and Tioga shall not:

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Attachment A
Solar Photovoltaic Facility Letter of Intent
Basic Terms and Conditions

This Attachment A outlines key terms under which Tioga Energy, Inc. (Tioga) proposes to enter into a Power Purchase Agreement (PPA) with Gila County to supply electricity to Gila County from a photovoltaic (PV) Facility owned by Tioga and installed on the Globe Courthouse (or on alternate County property subject to County approval).

The commercial terms summarized in the table on the following page are subject to credit review, securing applicable federal, state, local, and/or utility incentives as well as review of the proposed site by Tioga and its lenders. Pricing assumes the following: $0.171/kWh performance based incentive for 15 years through the APS School & Government Incentive Program, Commercial Operation Date by Dec 15, 2011, and a 1.5% (of the total contract amount) fee to PV Advanced Concepts by Tioga.

This proposal is made on the conditions (a) that Tioga's standard form of power purchase agreement will be used to memorialize our agreement and (b), notwithstanding the Tioga standard form's treatment of taxes, the proposed purchase price included in the power purchase agreement will be increased from the proposed amounts (and adjusted up or down from time to time) to reflect Tioga's actual cost of state and local transaction privilege taxes (sales taxes), franchise fee (on sales of electricity), personal property tax, and real property tax, if and to the extent applicable.

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Key PPA Terms.

Provider:	Special purpose limited liability company owned by Tioga.		
Contractor:	Kitchell Contractors Inc, of Arizona		
Host:	Gila County		
Facility:	One (1) carport mounted 204.96 kW (DC) photovoltaic project, including interconnections required to deliver electricity to Host, installed on the Host's property at 1400 E Ash St., Globe, Arizona 85501 (or alternate County property)		
Term:	Twenty (20) years		
Price:	Price Option	Annual Escalation	First Year Purchase Price
	Option 1	0%	$0.080 per kWh
	Option 2	3%	$0.067 per kWh
Incentives, SRECs, and non-energy attributes:	Provider is entitled to all available financial incentives, solar renewable energy credits (SRECs) and other environmental attributes associated with the electricity generated by the Facility.		
Insurance, Operation and Maintenance	Provider will insure the facility as personal property and provide all operations and maintenance necessary.		
Early Purchase Options:	The Host shall have the option to purchase the facility from the Provider on the 7th, 10th, and 15th anniversary of the commercial operation date, at the greater of the Early Termination Amount as detailed in the PPA contract or Facility's fair market value at the time of purchase.		
End of PPA Disposition:	At the end of the PPA Term, the Host shall have the options of entering into a new PPA, purchasing the Facility at its fair market value, or having the Provider remove the Facility and restore the site to its initial functional condition.		