

EQUIPMENT LOAN OPTION AGREEMENT

This Agreement is made this _____ day of _____, 2005 (the "Execution Date") by JAMES MADISON UNIVERSITY ("JMU"), with an address for notice purposes as set forth in paragraph 18 of Part II of this Agreement, and _____, ("Owner"), with an address for notice purposes as set forth in paragraph 18 of Part II of this Agreement.

WITNESSETH:

A. The Philadelphia regional office of the United States Department of Energy has established the Virginia State-Based Anemometer Loan Program with the objective of encouraging the use of wind energy in the Commonwealth of Virginia. JMU has assumed responsibility for administering this program with assistance from the Department of Mines, Minerals and Energy and the National Renewable Energy Laboratory. In the administration of the program, JMU has encouraged property owners who meet certain qualifications to apply for participation in the program.

B. Owner is the certain of real property located in _____ County, Virginia, identified as Section _____, Parcel _____ ("Property"). The address of the Property is: _____.

C. Borrower has made application to JMU requesting that the Property be considered as a location for the siting of an anemometer and related equipment.

D. Owner desires to grant to JMU and JMU desires to accept from Owner an option to enter into an Equipment Loan Agreement with Owner to locate an anemometer and related equipment on the Property, upon the terms and conditions hereinafter set forth.

NOW THEREFORE, for and in consideration of the mutual agreements hereinafter set forth, JMU and Owner, with intent to be legally bound, agree as follows:

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Part I – Option

1. Grant of Option. Owner hereby grants to JMU an option (“Option”) to locate the Equipment (as that term is defined in paragraph 8 of Part II of this Agreement) on the Property upon the terms and conditions set forth in this Part I.

2. Term of Option. The term of the Option shall be two (2) years from the Execution Date. The date and time of expiration of the Option period is called the “Expiration Date”. If JMU shall not have exercised the Option in the manner provided in paragraph 3 hereof as of the Expiration Date, then the Option shall terminate and neither party shall have any further rights or obligations hereunder.

3. Exercise of Option. To exercise the Option, JMU shall give notice to Owner not later than the Expiration Date. Upon delivery of notice of the exercise of this Option, this Agreement shall become an Equipment Loan Agreement, upon the terms and conditions set forth in Part II of this Agreement, binding upon the parties, and their respective heirs, personal representatives, successors and assigns,

4. Consideration for Option. Owner acknowledges and agrees that JMU’s agreement to consider the Property as a site for the location of the Equipment constitutes good and valuable consideration for the grant of the Option.

5. Access to the Property. During the Option Period, Owner agrees that JMU, its agents, representatives, and employees shall have the right of entry upon the Property for the purpose of making inspections, conducting studies, tests, surveys, environmental assessments, feasibility studies and such other investigations and evaluations of the Property as JMU, in its sole discretion, deems reasonable and necessary in order to determine the suitability of the Property as a site for the location of the Equipment. Such entry shall, in all cases, be upon reasonable prior notice to

Owner, without unreasonable interference with Owner's use of the Property, using reasonable care to avoid damage to the Property.

6. Notices. All notices and other correspondence given, under this Agreement (including, without limitation, notice of JMU's exercise of the Option, shall be given in the manner, and shall be effective at the times provided in paragraph 18 of Part II of this Agreement.

7. Governing Law. The Option shall be interpreted and enforced in accordance with the laws of the Commonwealth of Virginia.

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Part II - Equipment Loan Agreement

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THE TERMS OF PART II OF THIS AGREEMENT SHALL BECOME EFFECTIVE AND BE BINDING UPON THE PARTIES UPON JMU'S EXERCISE OF THE OPTION GRANTED IN PART I ABOVE.

8. Equipment. The term "Equipment" as used in this Agreement shall mean:
- a. One (1) NRG-NOW System 20-meter Wind Explorer Tall Tower Kit
 - b. One (1) NRG-NOW System 20-meter Wind Explorer Logger Kit
 - c. One (1) NRG-NOW System 20-meter Wind Explorer Sensor Kit
 - d. Any additional materials used by Lender in installation process

9. Term of Loan. JMU, in consideration of the covenants and agreements of Owner as hereinafter set forth, agrees to loan the Equipment to Borrower for a term of fourteen (14) months ("Term"). The Term shall commence as of the date of JMU's written notice to Owner of its decision to exercise the Option.

10. Installation of Equipment. The Equipment will be installed by JMU at its expense on the Property at a location and on a date and time mutually acceptable to Borrower and JMU.

11. Care and Maintenance of Equipment. Borrower shall be responsible for the routine maintenance of the Equipment, including but not limited to, replacement of the data plugs on a monthly basis and replacement of batteries on a bi-monthly basis. At the end of the Term, Owner shall return the Equipment to JMU in substantially the same condition as it was received at the commencement of the Term, normal wear and tear accepted. If, for any reason, the Equipment must be removed or modified during the Term, Owner shall contact JMU. Owner acknowledges that under no circumstances is Owner authorized to remove or modify the Equipment, including the lowering the height of the tower.

12. Removal of Equipment. Upon expiration of the Term, the Equipment will be removed by JMU at its expense.

13. Access to Property. Owner agrees that JMU, its agents, representatives, and employees, shall have the right of entry upon the Property for the purpose of installing, maintaining, and removing the Equipment, and for the purpose of gathering wind speed and direction data from the Equipment during the Term. Such entry shall upon reasonable prior notice and without unreasonable interference with Owner's use of the Property, using reasonable care to avoid damage to the Property. In addition, Owner acknowledges and agrees that JMU shall have the right to enter onto the Property for the purpose of demonstrating the operation of the Equipment to third parties.

14. Security of Equipment. In consideration of JMU's agreement to loan the Property to Owner, Owner agrees that it will provide reasonable security for the Equipment. Owner will use its best efforts to protect against vandalism, theft, loss and damage to the Equipment, including damage from natural causes. Owner further

agrees that if the Equipment is located in an area on the Property which is accessible by livestock or other animals, the Equipment shall be fenced off for protection at Owner's expense. In the case the Equipment is damaged or stolen, Owner agrees to reimburse JMU for the damage or loss based upon the cost of repair and/or the replacement cost of the Equipment.

15. Responsibility for Permits. Owner shall be responsible for and shall obtain at Owner's cost and expense, all permits and approvals which are required as conditions precedent to the installation of the Equipment from any governmental agencies having jurisdiction. Owner acknowledges that it is Owner's responsibility to investigate the need for such permits and approvals. Owner further agrees to indemnify and hold JMU harmless from any liability resulting from failure to obtain permits or approvals prior to installation of the Equipment.

16. Indemnification. Owner agrees to indemnify and hold JMU harmless from any liability, loss, damage, claim or cost arising out or resulting from the location of the Equipment on the Property during the Term.

17. Termination. This Agreement may be terminated by JMU prior to the expiration of the Term in the event Owner fails or refuses to perform its obligations hereunder. If JMU determines that Owner has breached any of its obligations under this Agreement, JMU shall give notice to Owner in writing specifying the manner in which JMU believes Owner has failed or refused to perform its obligations. Owner shall thereafter have a period of thirty (30) days from receipt of the notice to cure the default. If JMU, in its sole discretion, determines that Owner has failed to cure the default within such thirty (30) day period, this Agreement shall be terminated and JMU shall have the right to enter onto the Property for purposes of removal of the Equipment. In the event Owner cures the default to JMU's satisfaction, this Agreement shall remain in full force and effect for the balance of the Term.

18. Notice. All notices, demands or requests required or permitted to be made pursuant to or under this Agreement must be in writing and mailed, post pre-paid by certified or registered mail, return receipt requested, or delivered by Federal Express or other reputable independent overnight delivery service providing written evidence of delivery, or by hand-delivery by a reputable independent courier providing written evidence of delivery, addressed as follows:

If to JMU:
Mark Lotts
James Madison University
Integrated Science and Technology
701 Carrier Drive, MSC 4102
Harrisonburg, VA 22807

If to Owner:
Name: _____
Address: _____

19. Miscellaneous.

a. The Equipment shall not be removed from the Property without the prior written permission of JMU.

b. No waiver by either party of any failure or refusal by the other party to comply with its obligations hereunder shall be deemed a waiver of any other subsequent failure or refusal by the other party to comply.

c. This Agreement shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the respective parties.

d. This Agreement shall be interpreted and enforced in accordance with the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, JMU and Owner have executed this Agreement on the Execution Date with intent to be legally bound.

JMU:

Attest:

JAMES MADISON UNIVERSITY

By: _____

OWNER:

Witness

Witness