

2. EXECUTIVE SUMMARY

Copernicus Energy, Inc. is pleased to provide this proposal to lease-purchase and operate the Logansport Municipal Utilities' ("LMU") existing coal generating station in Logansport, Indiana. Copernicus proposes to acquire the existing facility and to install approximately 30 megawatts of additional renewable energy electricity generation capacity. The new renewable energy project(s) will be located within Cass County. The combination of projects being proposed by Copernicus Energy is anticipated to generate an economic impact of approximately \$100 million into the City of Logansport and the surrounding community over the next twelve months. The project is anticipated to create 60 to 80 full time positions in the region and to create 75 to 100 short term construction jobs.

Copernicus Energy, Inc., through the creation of the Copernicus Renewable Energy Technology Center, LLC ("CRETC") proposes to develop, construct, own and operate an expanded electricity generating facility in concert with the existing LMU coal generation facility. The expanded generation facility will allow the current coal generation facility to co-fire a variety of biomass fuel sources.

In addition, Copernicus Energy, Inc. intends to construct a photovoltaic solar module manufacturing operation within the City of Logansport. The new manufacturing operation will construct state of the art crystalline silicon solar modules which will be both installed within the LMU service territory, and sold to third party solar developers, installers, and end customers. In developing the new combined renewable energy center and manufacturing operation, Copernicus Energy intends to:

- Diversify the fuel mix from the current 100% coal fuel combustion to include up to 30% biomass co-firing within the existing coal generation facilities.
- Provide life extension improvements to the existing coal generation station;
- Make necessary improvements to the existing coal boiler to allow the facility to combust locally sourced renewable biomass fuels;
- Review the current base line, and upgrade the existing boiler emission control equipment if necessary to combust a high percentage of biomass fuels;
- Construct a new biomass fuel receiving and processing facility within the City of Logansport;
- Install a new bio-gas fueled generator and waste heat recovery generator which will meet or exceed all state and federal air quality standards;
- Analyze and upgrade the existing coal plant cooling towers with a waste heat recovery system;
- Install a "biodiesel" powered generator set with integrated 20,000 gallon fuel supply capability within the City of Logansport;
- Construct a 30 megawatt peak capacity photovoltaic solar module manufacturing facility.

The Copernicus Renewable Energy Technology Center ("CRETC") will be committed to retaining all of the current employees at the LMU coal generation facility. In addition, it is anticipated that the CRETC will create additional direct employment of an additional 10 to 15 full time employees within the new renewable powered electricity generation facilities that we

will construct. An additional 45-60 fulltime jobs will be added within the solar module manufacturing operation.

The construction phase will likely entail the employment of between 50-100 full and part time jobs while the project is being built out. Following construction completion, the entire development is anticipated to provide an additional 20 to 40 indirect jobs in the Cass County area resulting from the production and delivery of biomass to the new facility.

Proposed Lease terms are described in the attached appendix. During the period between the finalization of the agreement (August 2011) and the expected closing of construction funding in the fall of 2011 (when the Lease would commence) Copernicus Energy would will work with LMU staff to design and implement a transition plan for the employees and overall facility.

To provide for the long term supply of biomass for the project, we have chosen to use locally sourced biomass sources such as Corn Stover, wood wastes from area industries, and dedicated biofuel crops. Examples of dedicated biofuel crops suitable for growing in Cass County could include willow, Miscanthus grass, and Switch Grass.

Dedicated biofuel crops grown for energy generation use are generally considered “carbon neutral” in that the crops soak up carbon dioxide during its growth phase equal to the amount of CO₂ that is created when the fuel is consumed. Additional benefits of biofuel crops are that they can lower or even eliminate mercury and sulphur emissions created from coal combustion.

Locally produced Corn Stover, willow and energy grasses are all highly sustainable sources of biomass. These types of biofuel crops are being grown all over the world at low cost and with great success. The biofuels that we will utilize will be easy for the local agriculture community to grow with the technology and equipment already familiar to area farmers.

Significant cost savings and better financial returns can be realized by area farmers since these types of biofuel crops are easy to cultivate, require very little if any fertilizer or weed control after the initial planting year.

Copernicus Energy will contract with local growers within a 35 to 50 mile radius of the Project to produce biofuel crops for the plant on land that is currently marginally productive. The development of a regional supply of energy crops will inject approximately \$50 million directly into the agricultural community in the form of land rent, growing services, harvesting, and storage and biomass logistic services. This new biomass supply chain is expected to create an additional 30 to 50 local jobs. Construction related employment is expected to inject an additional \$10 million into the local economy.

The Copernicus Renewable Energy Technology Center, LLC is anticipated to require 3-6 months to develop. Key milestones in the development process are: Definitive Agreements with the City; Receipt of acceptable Emissions Permits; an Electric Interconnect Agreement; a Long Term Power Sales Agreement; and Commencement of the Establishment Process for the Dedicated Energy Crops.