

**NASHVILLE ELECTRIC SERVICE
TERMS AND CONDITIONS
FOR DEMANDS OF 5,000 KILOWATTS OR LESS**

1. Term. This power contract (the "Contract") shall begin on the date of delivery of electricity and shall continue for a period of one (1) year. Thereafter, the Contract will be renewed automatically on a year-to-year basis beginning on the anniversary date of service unless a written notice to the contrary is given by either Party to the other at least ninety (90) days prior to the expiration of the term of the contract or any then-existing renewal thereof. (See Section 1.0 of the current Board-approved Electric Service Policies and Procedures at www.nespower.com/commercial_rates/power_contracts.html for additional information.)

2. Facilities. Customer hereby grants to NES for its use, without cost, such rights in, on, over, and across Customer's property as may be necessary or desirable in connection with the installation, maintenance, operation, repair, replacement, and removal of any electrical facilities or other equipment required to supply Customer with power and energy hereunder.

If at any time during the term of this Contract, or of any renewal or extension thereto, Customer requests NES to adjust or relocate any of NES' facilities located on Customer's property, NES shall arrange to perform such adjustment or relocation of work, and Customer shall reimburse NES for the actual costs, including applicable overheads, incurred by NES in performing such work, which costs shall also include, without limitation, costs of obtaining any new easements and rights of way, over, and across property other than Customer's property for any such relocated facilities.

Notwithstanding anything herein which might be construed to the contrary, NES' distribution lines used in supplying power to Customer hereunder may be used in serving loads other than Customer's loads in any manner which NES deems necessary or desirable.

Electrical installations must be in accordance with the Guidelines for New Electric Service available at www.nespower.com or at the Nashville Electric Service main office located at 1214 Church Street in Nashville, Tennessee.

3. Availability of Power. Subject to the other provisions of this Contract and to the completion of the facilities necessary to supply power and energy to Customer hereunder, NES shall make available to Customer, and Customer shall take and buy from NES, Customer's requirements for firm power and energy for operation of Customer's said facilities.

The power and energy made available to Customer hereunder shall be delivered, taken, and paid for in accordance with the terms hereof and with the Schedule of Rules and Regulations of NES (the "Schedule"). In the event of any conflict between the provisions of said Schedule and the provisions of this Contract, the Schedule shall control.

Nashville Electric Service reserves the right to require the installation of a dedicated phone line to the meter before power is connected for customers with potential to have a power factor less than eighty-five percent (85%).

4. Conditions of Delivery. The Point of Delivery shall be where current is delivered to the building or premises by NES and is defined by the following:

- a) For overhead service, the Point of Delivery shall be at the point the Customer's service entrance conductors are connected to NES' service drop conductors.
- b) For underground service (pad mounted transformer or ground type substation), the Point of Delivery shall be the low-voltage terminals of the transformer.
- c) For underground service (transformer vault or network system), the Point of Delivery shall be at the point selected by NES at which the Customer's service entrance conductors are connected to NES' conductors.

NES shall not be obligated to provide protective equipment for Customer's lines, facilities, or equipment, but NES may provide such protective equipment as it deems necessary for the protection of its own property and operations. The electrical equipment installed by the Customer shall, in NES' judgment, be capable of satisfactory coordination with any protective equipment installed by the NES. Customer shall exercise all reasonable precautions and install all equipment necessary to limit its total demand, as determined in accordance with the rate schedule ("Rate Schedule") hereinafter specified, to the amount to which it is entitled hereunder.

5. Rates and Charges. The Rate Schedule may be modified, changed, replaced, or adjusted from time to time as provided under contractual arrangements between NES and the Tennessee Valley Authority. The rate shall continue in effect through the first meter-reading time that falls at least twelve (12) months after the Effective Date.

Minimum Bill. It is expressly understood and agreed that Customer shall pay at least the minimum monthly bill during each month of the term hereof, with the amount determined under the provisions of the attached Rate Schedule.

Bills. Bills shall be rendered monthly by the NES and shall be due and payable on receipt. If any bill is not paid by Customer on or before the delinquent date shown on the bill, NES may suspend delivering electric energy to Customer until such bill has been paid, but the exercise of such right shall be in addition to any and all other remedies otherwise available to NES.

Deposits. A non-transferable cash deposit or satisfactory guarantee will be required for new accounts before service is supplied. The amount of the deposit or guarantee shall be equal to at least twice the average monthly bill, if known, or as estimated. In addition to cash, NES will accept one of the following:

- a) An irrevocable letter of credit may be posted for a minimum of three years in lieu of a cash deposit. A local bank must execute this on the form supplied by NES. The amount must be equal to the normal cash deposit.
- b) An indemnity bond may be posted for a minimum of three years in lieu of a cash deposit. The amount must be equal to the normal cash deposit. This is executed and maintained the same as the irrevocable letter of credit, except that the Customer executes this item through an insurance company. Minimum bond is \$1,000.
- c) A letter of credit from another utility stating bills were paid on time for at least the last twelve (12) months. The account must be in exactly the same name.
- d) A third-party, industry-accepted credit report which indicates a sound financial position.

Deposits will be held for a minimum of thirty-six (36) months. Deposits will automatically be applied to the account after a satisfactory payment history is established or upon termination of service.

Interest will be paid on all deposits held by NES if the deposit is held for one year. All deposits will accrue simple interest on the principal at a rate determined on the first working day of each year. The rate will be equivalent to the one-year Treasury Bill minus 175 basis points rounded off to the nearest half percent. The interest will be credited to the Customer's account.

6. Phase Balancing. Customer shall endeavor to take and use power and energy in such manner that the current will be reasonably balanced on the three phases. In the event that any check indicates that the current on the most heavily loaded phase exceeds the current on either of the other phases by more than twenty percent (20%), Customer, upon request, shall make at its expense the changes necessary to correct the unbalanced condition. If said unbalanced condition is not corrected within sixty (60) days, or such other period as may be agreed upon, NES may thereafter elect to meter the load on individual phases and compute the billing demand as being equal to three times the maximum kilowatt load on any phase. For all purposes hereunder, the load on any phase shall be the load measured by a wattmeter connected with its current coil in that phase wire and the potential coil connected between that phase wire and the neutral voltage point.

7. Interference with Availability of Power. NES will not be responsible for any failure, shortage, or interruption of electrical energy due to force majeure. Force majeure shall mean acts of God to include but not be limited to strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraint of rulers and peoples, civil disturbances, explosions, breakage or accidents to electric transmission or distribution lines, the necessity for making repairs or alterations in machinery or transmission or distribution lines or any other cause, whether of the kind herein enumerated or not, not within the control of the NES, and which, by the exercise of reasonable care, NES is unable to prevent or overcome, and whether occurring on NES' distributing system or on the transmission lines by which electrical energy is delivered to NES. When force majeure occurs on NES' system and the shortage or interruption of delivery of electrical energy due to force majeure is for a period of seventy-two (72) hours or longer, NES will prorate the demand charge and/or minimum bill for that part of the billing period in which delivery of electrical energy was not affected by force majeure, but in no case shall the demand charge be less than the un-prorated demand charge that the Customer would pay for the demand occurring at the time of NES' simultaneous monthly system peak demand.

Customer will not be responsible as a result of the application of force majeure not within the control of the Customer and which, by the exercise of reasonable care, the Customer is unable to prevent or overcome. Nothing contained herein shall release Customer from any minimum bill requirement other than those occasioned by the inability of NES to deliver; when the causes or contingencies cease to be operative, NES shall resume delivery and Customer shall resume taking electrical energy. When force majeure occurs on Customer's system and the shortage or interruption of delivery of electrical energy due to the force majeure is for a period of seventy-two (72) hours or longer, NES will prorate the demand charge for that part of the billing period in which delivery of electrical energy was not affected by force majeure, but in no case shall the demand charge be less than the un-prorated demand charge that the Customer would pay for the demand occurring at the time of NES' simultaneous monthly system peak demand.

It is recognized by the Parties that the availability of power to Customer may be interrupted or curtailed from time to time during the term of this Contract because of force majeure. Customer shall be solely responsible for providing and maintaining such equipment in its facility and such emergency operating procedures as may be required to safeguard persons on its property, and its operations from the effects of such interruptions or curtailments. Customer assumes all risk of loss, injury, or damage to Customer resulting from such interruptions or curtailments.

8. Notices. Any notice or demand required by this Contract shall be deemed properly given if mailed, postage prepaid, to the Vice President Operations/Engineering on behalf of NES or to the Vice President for Facilities Management on behalf of the Customer, except that oral notices between the operating representatives of the Parties (other than notices of termination pursuant to Section 1 hereof, which must be in writing) will be sufficient if confirmed in writing. The designation of the person to be so notified or the address of such person may be changed at any time from time to time by either Party's similar notice.

9. Waivers. A waiver of one or more defaults shall not be considered a waiver of any other or subsequent default.

10. Successor and Assigns. This Contract may be assigned by NES, but shall not be assignable by Customer without written consent of NES except to a wholly-owned subsidiary of Customer or to Customer's successor by any bona fide merger, reorganization, or consolidation. NES shall not unreasonably withhold this consent.

In the event of any such assignment, the Parties hereto shall remain liable for the faithful performance of this Contract in all respects by their respective assigns, and such assigns by acceptance of such transfer or assignment shall likewise become bound for the full performance of this Contract until the expiration thereof.

11. Counterparts. This Contract may be executed in any number of counterparts, and all such counterparts, each executed and delivered as an original, shall constitute but one and the same instrument.

12. Entire Agreement. This Contract and the aforementioned attached documents constitute the complete and exclusive statement of the agreement between the Parties with respect to the subject matter of this Contract, and this Contract supersedes any and all prior oral or written communications, proposals, representations, and agreements. This Contract may be amended only by mutual agreement expressed in writing and signed by both Parties.
13. Jurisdiction. This Contract, and any disputes arising therefrom, shall be governed by the laws of the State of Tennessee. All disputes or causes of action arising out of or in any way connected to this Contract shall be subject to the exclusive jurisdiction of the circuit courts for Davidson County, Tennessee. The Parties agree and submit to the personal and exclusive jurisdiction and venue of said circuit courts.
14. Authorizations. Customer represents that it has the necessary corporate and/or legal authority and has obtained any and all regulatory approvals to enter into and perform this Contract, and that this Contract, when executed by Customer, represents a valid, binding and enforceable legal obligation. The Customer's representative signing this Contract represents and warrants that he or she is duly authorized to execute this Contract and that such execution creates a valid, binding and enforceable legal obligation of the Customer.
15. Severability. Should any term or provision of this Contract be held to any extent unenforceable, invalid, or prohibited under law, then such provision shall be deemed restated to reflect the original intention of the Parties as nearly as possible in accordance with applicable law and the remainder of this Contract. The application of such term or provision to persons, property, or circumstances other than those as to which it is invalid, unenforceable, or prohibited, shall not be affected thereby, and each term and provision of this Contract shall be valid and enforceable to the fullest extent permitted by law.
16. Headings. Section headings are for reference only and shall not affect the interpretation of this Contract.

Approved as to form and legality by NES Legal 08/26/11.