



December 1, 2005

Mr. Matthew Malten
Sustainability Coordinator
University of Illinois at Urbana-Champaign
1501 South Oak Street
Champaign, IL 61820-6905

Re: Installation of Three Wind Turbines
(4.5MW) on Campus South Farms

Dear Mr. Malten:

The Illinois Clean Energy Community Foundation ("the Foundation") is awarding a grant of up to \$2,000,000 to the University of Illinois at Urbana-Champaign ("the Grantee") for the above-referenced project.

This letter defines the terms and conditions of the grant and constitutes the grant agreement ("the Agreement") between the Foundation and the Grantee. Please read it carefully. If the Grantee agrees to the terms and conditions in the Agreement, please return one complete counter-signed copy of the Agreement. Contact the Foundation if you have any questions.

Duration and Payment of Grant

This grant is to be used during the period November 1, 2005 through August 31, 2007 (the "Grant Period"). It shall be paid by the Foundation to the "Board of Trustees of the University of Illinois" as follows: \$700,000 upon receipt of documentation that the Grantee has ordered the turbines; simultaneous with the first payment or at any time thereafter, up to \$600,000 upon receipt of documentation that the Grantee has received funding for this project from the Student Clean Energy Technologies Fee Fund, with this payment calculated to match, on a 2:1 basis, up to \$300,000 provided by the Student Clean Energy Technologies Fee Fund; and \$700,000 upon receipt of documentation that the turbine installation is complete.

The Foundation reserves the right to suspend, modify or cancel any payments that might otherwise be due under this grant, to require a refund of any unexpended grant funds or both, if:

1. such action is necessary to comply with any applicable law or regulation;
2. the Grantee has used the grant funds for purposes other than as described in the Agreement or otherwise violated any part of the Agreement; and/or
3. the Grantee's performance under the grant has not been satisfactory.

The Foundation's judgment on these matters will be final and binding.

Purpose and Use of Grant

This grant is for Installation of Three Wind Turbines (4.5MW) on Campus South Farms (the "Project") as described in the Project proposal and budget submitted to the Foundation by the Grantee and dated September 8, 2005. The Grantee confirms that this grant will be used

solely for the specific tax-exempt purposes described in the Project proposal and budget and no substantial variance will be made without the Foundation's prior written approval.

The Grantee also confirms that the Project is under its complete control and that it has and will exercise control over the process of selecting any sub-grantees, sub-contractors or consultants involved in the Project. The Grantee and the Foundation are not partners or joint venturers with respect to each other.

Furthermore, the Grantee agrees that funds from this grant will be used exclusively for tax exempt purposes as described in Section 501(c)(3) of the Internal Revenue Code and will not be used for any activities prohibited by law, including, without limitation, attempting to influence legislation or participating in any political campaign on behalf of any candidate for public office. The Grantee agrees that it and its employees, agents and sub-contractors will comply with all applicable federal, state, county and local laws, ordinances, regulations and codes in the performance of the Grantee's obligations under this Agreement.

Reporting Requirements

The Foundation requires the Grantee to submit a report on this grant no later than 2 months after the end of the Grant Period. The report should cover the entire Grant Period and contain both (a) a detailed description of what was accomplished using the grant funds, including progress made toward achieving the goals of the Project and (b) a statement of Project expenditures and income showing the actual expenditures against the approved Project budget and listing all grant, loan and/or other funds received by the Grantee for the Project.

The Grantee's Primary Contact at the Foundation

Please direct all questions and correspondence regarding this grant, including all required reports, to Ed Miller, who may be reached by mail at the Foundation's office, by telephone at (312) 372-5191 or by e-mail at emiller@illinoiscleanenergy.org.

Publicity

The Foundation believes it is important that many organizations and individuals in Illinois learn about the Project and the ways it benefits the public. Accordingly, the Foundation strongly encourages the Grantee to publicize the receipt of this grant and the results of the Project.

The Grantee agrees to share with the Foundation a draft of any press release or public announcement of the grant prior to distributing the release or announcement and to provide the Foundation with clippings of resulting media coverage.

The Grantee also agrees to allow the Foundation to publicize the Grantee as a grant recipient and to use the name and description of the Project and photographs or other audiovisual representations of subjects related to the Project.

Maintenance of Records and Evaluation

The Grantee is responsible for maintaining adequate financial records regarding use of the grant funds, consistent with generally accepted accounting principles.

The Grantee agrees to cooperate fully in any evaluation of this grant and/or the Project that the Foundation may conduct. Such an evaluation may include a visit from Foundation staff or consultants, interviews with Project participants, a review of financial and other records about the Project maintained by the Grantee and/or similar investigative activities.

Confirmation of Tax-Exempt Status and Good Standing

The Grantee confirms that it is currently a unit of government or a nonprofit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation under Section 509(a) of the Internal Revenue Code. The Grantee agrees to submit with the signed Agreement written evidence of its tax-exempt, non-private foundation status if it has not previously provided such evidence to the Foundation.

The Grantee further confirms that it is currently in good standing with appropriate state government agencies. If requested by the Foundation, the Grantee agrees to provide written evidence of its good standing.

If there is any change in the Grantee's tax exempt status or good standing during this grant, the Grantee agrees to immediately notify the Foundation of that change.

Acceptance of Terms and Conditions of Agreement

If the Grantee agrees to the terms and conditions in the Agreement, please return to the Foundation one complete copy of this letter signed by an authorized representative of the Grantee in the space provided below. For future reference, please retain a copy of the Agreement in your files.

Sincerely,


James E. Mann
Executive Director

The Grantee acknowledges that relevant organization executives and Project personnel have read and understand the Agreement, that its terms and conditions are acceptable to the Grantee and that the Grantee will comply with those terms and conditions.

Grantee _____
(This must be the legal name of the federally tax-exempt organization accepting the grant.)

Name of Authorized Signer for the Grantee _____

Title of Signer _____

Authorized Signature _____
(This must be an original signature of an authorized representative of the Grantee.)

Date Signed _____