

MEMORANDUM OF UNDERSTANDING

FOR COOPERATION IN SOLAR ENERGY BETWEEN

BP SOLAR INTERNATIONAL INC.

AND

U.S. DEPARTMENT OF ENERGY (DOE)

This Memorandum of Understanding (“MOU”), effective on the date of execution by the last party to sign, is by and between BP SOLAR INTERNATIONAL INC., a corporation existing under the laws of Delaware, with its principal office at 630 Solarex Court, Frederick, Maryland, 21703, USA (“BP Solar”) and the U.S. Department of Energy (“DOE”). The purpose of this MOU is to describe possible approaches for providing the “Consideration” for purposes of, and as defined in Section 31 of, an Easement Outgrant (the “Easement”) to be entered into between Long Island Solar Farm LLC, as Grantee thereunder (the “Grantee”), and the DOE, as Grantor thereunder (“Grantor”). It is possible that a single approach from the list below or a combination of approaches will be utilized to constitute the consideration. Terms used herein and not otherwise defined are used herein with the meanings assigned to such terms in the Easement.

While no particular approach has been chosen on the effective date of this MOU, the consideration value cited in the Easement is \$2,400 per acre per year, for each year during the term of the Easement, for each acre of the Premises, and amounts to an annual fair market easement value of \$480,000 (assuming a site of 200 acres) for the Premises. BP Solar agrees to provide consideration value for the Easement in the form of approach(es) described below for the Consideration Period.

1) Objectives

Brookhaven Science Associates, LLC (in its capacity as Management and Operating Contractor of BNL), the DOE and BP Solar are proposing to cooperate with each other in order to achieve the following objectives:

- Advance solar photovoltaic research and development
- Increase awareness about solar power and its benefits
- Contribute to U.S. energy diversity and security
- Create local, clean energy jobs
- Help LIPA meet its commitment to provide green energy to its Long Island customers

Under this MOU, additional objectives may be realized, but are dependent upon the selection of the options. Such additional objectives include:

- Helping Brookhaven Science Associates, LLC, on behalf of DOE, to meet its commitment to obtain green energy for BNL
- Fostering the creation of new research partnerships between BNL and private industry for the scientific advancement of alternative energy technology and energy storage

2) Approaches for possible Consideration for the Easement:

One or a combination of the following approaches:

- A) BP Solar may provide and maintain for the term of the Easement a Laboratory-dedicated solar array capable of providing up to 2 megawatts of power and be sufficiently segmentable to allow for reconfiguration conducive to scientific endeavors of improving photovoltaic efficiencies, battery storage and other technology advances. All Greenhouse Gas (GHG) and Renewable Energy Credits will belong to DOE and will not be separately valued as consideration.
- B) BP Solar may provide advanced monitoring hardware, and related equipment and services, on the System to further scientific endeavors of understanding the impacts of large solar arrays on utility grids in varying environmental, regional and climatic conditions.
- C) BP Solar may provide a monetary consideration.

3) Qualifying forms of consideration (“Qualifying Consideration”)

The following shall constitute forms of consideration that are permitted to be used to satisfy the requirements of Section 31:

- A) Non-Federal Government and non-BP Solar contributions, whether in kind or monetary in nature, agreed to by and provided to Grantor in connection with 2A or 2B listed above.
- B) Monetary contributions or payments made by BP Solar.
- C) Goods, equipment, and services procured by BP Solar and agreed to by Grantor in connection with 2A or 2B listed above, for which invoices shall be presented with supporting information, to establish the dollar amount expended.
- D) Services, general and administrative expenses, and hours spent by BP Solar employees or contractors in connection with 2A and 2B listed above and agreed to by Grantor, the value of which shall be determined in a manner consistent with the customary course of dealing between Grantor and BP Solar and its affiliates, under comparable service and financial support agreements.

E) Value of energy delivered to BNL under item 2A, which for each Consideration Year (as defined below) shall be equal to the number of kWh of energy provided to the BNL grid under 2A multiplied by 50% of the average cost per kWh incurred by the BNL for its energy supply during the calendar dates corresponding to the Consideration Year, which average cost per kWh shall be calculated as the sum of the invoices the BNL receives from electrical utilities for the energy supplied to BNL during Consideration Year divided by the total number of kWh delivered to the BNL during that Consideration Year by such electric utilities.

4) Selection of Approach

The specific approach or combination of approaches selected to comprise the Easement Consideration will be set forth in a fully developed Research/Array Strategy (Attachment # 17) which is agreed to by Grantor and BP Solar. The Research/Array Strategy, when developed, will provide sufficient detail to describe the scientific, technical and resources (e.g. staff, equipment and funding) planned during the term of the Easement. The Research/Array Strategy shall be agreed upon no later than the start of the construction portion of Grantee's Activities. If the parties are unable to reach agreement on the Research/Array Strategy by such date, then Grantor will be permitted to direct BP Solar to either (i) construct a solar power array at BNL (the "Array Option"), subject to the review and approval of Grantor and agreement between BP Solar and Grantor as to the cash value of the work (including the supply of equipment), the ownership of which array would remain with DOE, and pay any remaining consideration in the form of monthly cash contributions, such that the aggregate of the value of the array work and such monthly cash contributions shall equal \$2,400 per acre per year for each Consideration Year, (ii) continue working with DOE towards development of a Research/Array Strategy, to be completed by a newly specified date ("Extension Option") with Qualifying Consideration of \$2,400 per acre per year to be provided until such agreement is reached, or (iii) provide cash contributions ("Cash Option") which would equal \$2,400 per acre per year for each Consideration Year, and would constitute the total consideration required to be provided by BP Solar under Section 31 of the Easement; provided, however, that notwithstanding any other provision of this MOU or Section 31 of the Easement, if Grantor and BP Solar shall not agree on the value of the Consideration, or the nature or timing of the provision of the Consideration for that 12-month period, then until such agreement is reached, Grantor shall be deemed to have selected the Cash Option in clause (iii) of this paragraph 4, and Grantor and BP Solar hereby agree, as a binding agreement of the parties, that the fulfillment by BP Solar of the Cash Option, together with any Qualifying Consideration previously provided, shall constitute full compliance with the requirements of Section 31 of the Easement relating to Consideration for that 12-month period. For purposes of this MOU, the total easement value shall be the sum of the annual easement payments (taking into consideration the time value of money either discounted or escalated as agreed to by Grantor and BP Solar).

5) Selection of Cash Option

If Grantor selects the Cash Option in accordance with the provisions of paragraph 4 above, BP Solar shall pay to Grantor within 30 days of the start of each 12 month period starting on the first day of the Consideration Period (as defined in Section 31 of the Easement; each such 12 month

period being referred to herein as a “Consideration Year”), the amount of \$2,400 per acre per year, payable by BP Solar. GRANTOR will supply GRANTEE with information regarding submittal of payments.

6) Selection of Consideration in Other Forms

If Grantor does not select the Cash Option as provided in Paragraph 5 above, then the payment requirements in Paragraph 5 above shall not apply, and in lieu thereof the consideration for the Easement shall be an agreed scope of work as outlined in the Research/Array Strategy (attached to the Easement as Attachment 17) or the Array Option (described in clause (i) of Paragraph 4 above) (either such alternative being referred to herein as the “Agreed Scope of Work”), which Grantor and BP Solar shall agree is equal in value to the total easement value (taking into account the time value of the consideration based on the date it is provided) and constitutes the entire scope of work required to comply with Section 31, and shall be provided and credited against the total easement value as follows:

(1) At the end of each Consideration Year, (a) the total amount of Qualifying Consideration during that Consideration Year shall be deducted from the total easement value to determine the ending balance at the end of that Consideration Year; and (b) the ending balance for that Consideration Year shall be the starting balance for the following Consideration Year. This process shall continue until the end of the Consideration Period.

(2) The consideration to be provided for each Consideration Year shall have a value of no less than \$2,400 per acre per year, unless otherwise agreed to by GRANTOR and BP Solar. If Grantor asserts that the value of the consideration provided hereunder for any Consideration Year is less than the required value for such Consideration Year as directed by Grantor prior to the beginning of such Consideration Year, BP Solar shall upon demand of Grantor provide a mutually agreed upon form of consideration to make up the shortfall(subject to adjustment of later consideration amounts, if appropriate, after later true-up and agreement of the parties regarding such value), and such consideration shall be deemed to be a cure of any asserted compliance failure with respect to Section 31 of the Easement, for purposes of Section 1.B(2) of the Easement. If the ending balance for any Consideration Year is zero or negative, or if at any point during a Consideration Year, the amount of Qualifying Consideration equals or exceeds the beginning balance for that Consideration Year, then BP Solar and Grantee shall be deemed to have fulfilled the consideration requirements of Section 31 of the Easement and no further consideration shall be required for the remainder of the Consideration Year. Any excess payments shall be applied to successive period(s). GRANTOR and BP Solar can agree that the value of specified consideration can satisfy a specified number of Consideration Year payments.

At such time as DOE and BP Solar reach agreement on the Agreed Scope of Work referred to in the first sentence of this paragraph 6, BP Solar and DOE will enter into a Research / Array Strategy agreement with respect to BP Solar’s activities on the R&D Premises, which agreement will contain rights and obligations of BP Solar and DOE that are analogous to the comparable sections of the Easement and that support the Agreed Scope of Work.

7) Obligation to Pay Cash Easement Payments.

The parties agree, as a binding obligation, that, notwithstanding any other provision of the Easement or this MOU, no cash payments shall be required to be made on any date after the date twenty years after the commencement of the Consideration Period (the "Twenty-Year Date"), if on the Twenty-Year Date, BP Solar pays to Grantor, in prepayment of any remaining cash Easement payments, an amount equal to the remaining Easement payments due Grantor in respect of the remaining term of the Easement.

8) No Joint Venture.

By execution of this MOU, the parties are not forming between them a joint venture, partnership, agency, corporation or any other similar ongoing arrangement or undertaking and nothing in this MOU shall be construed to create joint and several liability on the part of the parties. It is hereby agreed and confirmed that, unless specifically agreed in writing otherwise, no party may commit the other party to any agreement or undertaking.

[Signature Page Follows]

U.S. DEPARTMENT OF ENERGY

Signature: Lisa D. Street
Print Name: LISA D. STREET
Title: DDFO, Acting
Date: 2.3.2010

BP SOLAR INTERNATIONAL INC.

Signature: Jerry W. McKinney
Print Name: JERRY W. MCKINNEY
Title: CFO
Date: 12-23-09