

PENNSYLVANIA ENERGY DEVELOPMENT AUTHORITY GRANT AGREEMENT

This Grant Agreement is entered into, by and between Thar Geothermal Inc., 730 William Pitt Way, Pittsburgh, PA 15238-1333, a Corporation, ("Grantee"), and the Commonwealth of Pennsylvania, Pennsylvania Energy Development Authority, 400 Market Street, 15th Floor, Harrisburg, PA 17101 ("Authority" or "PEDA").

WITNESSETH:

WHEREAS, Grantee has submitted a grant application for the Energy Saving Geothermal Air Conditioning System project ("Project") and the Pennsylvania Energy Development Authority has approved the application; and

WHEREAS, the Authority is authorized to enter into this grant pursuant to Section 2806-C (14) of the Administrative Code of 1929 (71 P.S. 51 *et seq.*); and

WHEREAS, pursuant to Section 2804-C of the Administrative Code of 1929 (71 P.S. 51 *et seq.*), the Governor has designated DEP to provide staff services to PEDA;

NOW, THEREFORE, the Grantee and the Authority, in consideration of the foregoing and intending to be legally bound hereby, agree as follows:

1. MAXIMUM GRANT DOLLAR AMOUNT- The Authority grants to Grantee the amount not to exceed \$249,902.
2. GRANT TERM – This Grant Agreement shall not be a legally binding agreement until this Agreement is fully executed by the Commonwealth. The term of this Grant Agreement shall commence on the date this Agreement is fully executed by the Commonwealth, and shall terminate three (3) years from the later to occur of (a) the Project completion date (as defined below) or (b) the date of final payment.
3. PERIOD OF PERFORMANCE – Upon full execution of this Agreement, Project work (a) may, at the discretion of the Authority, be reimbursed from December 18, 2009 through the date of full execution and (b) shall be paid for from the date of full execution through June 18, 2011 (the "Project completion date"). All Project work under this Agreement shall be completed no later than the Project completion date.

4. STANDARD COMMONWEALTH ATTACHMENTS- Grantee shall comply with the terms and conditions applicable to "Contractor" in the following standard Commonwealth attachments, each attached hereto and made a part hereof:

Attachment A- Provisions for Commonwealth Contracts

Attachment B- Nondiscrimination/Sexual Harassment Clause

5. DEPARTMENT OF ENVIRONMENTAL PROTECTION (DEP) GENERAL CONDITIONS – Grantee shall perform Project work in accordance with the following general conditions attached hereto and made a part hereof. For the purposes of this attachment, "Grantee" and "Contractor" are synonymous. For the purpose of this attachment, all references to "Department of Environmental Protection", "Department" or "DEP" shall be read to mean the Authority.

Attachment C- DEP General Conditions

6. SCOPE OF WORK; BUDGET- Grantee shall perform Project work in accordance with the Project Scope of Work set forth in Attachment D. Grantee shall incur expenses under this agreement and the Authority shall pay Grantee for Project work in accordance with the Budget included in Attachment D and in accordance with the Special Requirements/Special Conditions (Attachment E) described in Paragraph 7 below. Attachment D is attached hereto and made a part hereof:

Attachment D- Scope of Work and Budget

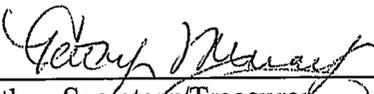
7. SPECIAL REQUIREMENTS/SPECIAL CONDITIONS – Grantee shall perform Project work in accordance with the following grant program-specific special conditions attached hereto and made a part hereof:

Attachment E - Special Requirements / Special Conditions

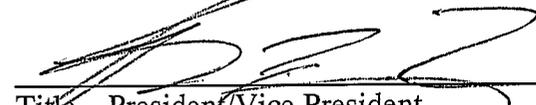
IN WITNESS WHEREOF, the parties hereto have signed and sealed these presents.

WITNESS:

THAR GEOTHERMAL INC.



Title - Secretary/Treasurer
(circle one)

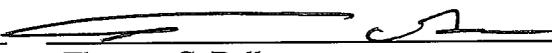


Title - President/Vice President
(circle one)

Grantee Vendor ID#: 759902

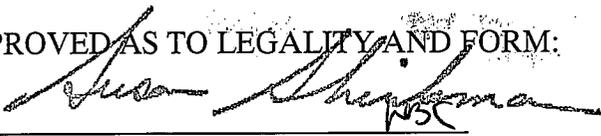
WITNESS:

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA ENERGY DEVELOPMENT AUTHORITY



Thomas C. Bell
Executive Director

APPROVED AS TO LEGALITY AND FORM:



Chief/Assistant Counsel
Department of Environmental Protection,
on behalf of PEDA

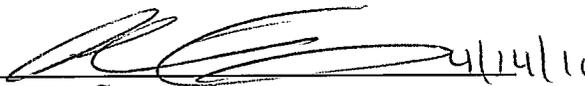
(NOT REQUIRED)

Office of General Counsel

PRE-APPROVED

Office of Attorney General

I hereby approve this agreement and certify that funds in the amount of \$249,902 are available under Appropriation: 60229 ~~08~~ ⁰000 3577009000 3577045781 6600200



Comptroller

4160052066
SAP Doc.#