

**HAEMMERLE & HAEMMERLE, P.L.L.C.**  
**400 SOUTH MAIN STREET, SUITE 102**  
**P.O. BOX 1800**  
**HAILEY, IDAHO 83333**  
**VOICE (208) 578-0520**  
**FAX (208) 578-0564**

*ATL-E-08-01*

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FACSIMILE TRANSMITTAL SHEET

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TO:  
**TERRY CARLOCK**

FROM:  
**Fritz X. Haemmerle**

COMPANY:

DATE:  
**5/16/2008**

FAX NUMBER:  
 (208) 334-3762

TOTAL NO. OF PAGES  
 INCLUDING COVER:

PHONE NUMBER:

SENDER'S REFERENCE  
 NUMBER:

**Israel Ray**

Contains: Signed copy of Promissory Note with Eric Alberdi

RECEIVED  
 2008 MAY 19 AM 10:58  
 IDAHO PUBLIC  
 UTILITIES COMMISSION

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**WARNING**  
**THIS DOCUMENT IS A PRIVILEGED COMMUNICATION**  
**INTENDED SOLELY FOR THE BENEFIT OF THE**  
**ADDRESSEE.**

**COPY****ORIGINAL****PROMISSORY NOTE**

**FOR VALUABLE CONSIDERATION RECEIVED**, Maverick R. Ray, a.k.a. Israel Ray (herein "Maker"), promises to pay to Eric Alberdi ("Payee"), the principal amount of \$100,000.00, with interest at the rate of fourteen (14%) per annum computed from the date of this Note, payment of principal and interest to be made in lawful money of the United States, as set forth herein.

1. **Payment Schedule.** Maker shall distribute to Payee equal monthly installments of \$1,874.00, representing principal and interest, for over a period of seven (7) years, or any other sums as the parties agree, due on the first (1<sup>st</sup>) day of each month and continuing thereafter until all principal and interest is paid in full. The first installment of interest and principal shall be due on May 1, 2008, and all payments shall be made pursuant to the attached amortization, Exhibit 1.

2. **Additional Provisions Regarding Payment.** The payment of the obligation set forth above shall be governed by the following provisions:

a. All payments shall include principal and interest.. The principal balance of the note, \$100,000, along with interest, shall be paid on March 20, 2015.

b. Maker may not prepay this Note within the first two (2) years of the Note, without penalty. If the Maker prepays within the first two (2) years of the Note, then the maker shall pay, in addition to any principal due, \$25,000, less any interest payments made to date of prepayment. After the first two (2) years, Maker may pay the Note without any penalty; provided, however, that all accrued but unpaid interest on the remaining principal balance as of the date of such prepayment shall be paid at the time of such prepayment. If Maker makes a partial prepayment, Maker shall continue to make payments in accordance with the payment schedule as set forth above until all principal and interest is paid in full.

c. In the event that any installment of principal and/or interest payable hereunder is not paid when due, then in addition to all other rights set forth herein, Payee shall have the right, commencing ten (10) days after the due date for such payment, to collect a late fee equal to twenty-five percent (25%) of the delinquent payment, such late charge being based on Payee's good faith evaluation of the probable extraordinary cost to Payee of such delinquency. The right to collect such late fee shall be in addition to all other rights granted to Payee hereunder.

3. **Security for Note/Notifications.**

a. Security for the Note is a Lock Box Agreement, contained in Idaho Public Utilities file number ATL-E-08-1. The segregated account and related disbursements set forth under the Lock Box Agreement will not become operational except under default by Maker. If default occurs, the holder shall notify the Maker and IPUC in writing. The notice to the Maker and IPUC shall be provided at least fourteen (14) days in advance of the establishment of the segregated account referenced in the Lock Box Agreement. Payee acknowledges that no liens, attachments or levies will be made against the assets of Atlanta. Notices shall be sent to:

PROMISSORY NOTE - 1

RECEIVED  
MAY 19 AM 10:58  
IDAHO PUBLIC  
UTILITIES COMMISSION

Idaho Public Utilities Commission  
P.O. Box 83720  
Boise, ID 83720-0074

Maverick R. Ray  
11140 Chicken Dinner Rd.  
Caldwell, ID 83607

b. In addition, and outside of the security contained in the Lock Box Agreement, Israel Ray, personally guarantees the note, and understands that the Payee may seek reimbursement for money owned from the Maker's personal and/or real property

4. **Events of Default and Acceleration.** At the option of Payee, the unpaid principal balance and all accrued but unpaid interest and any other charges owing on this Note shall become immediately due and payable upon the occurrence at any time of any of the events of default listed herein and after Maker has failed to cure any such default within thirty (30) days of Payee's giving written notice to Maker of such default:

- a. Failure to make any payment when the same becomes due and payable hereunder.
- b. Failure in the due, prompt and complete performance and observance of any other covenant, agreement or obligation of Maker contained herein or any other security agreement given to secure this Note or in any other agreement or document related to this Note.
- c. The entry into any contract for the sale, exchange, conveyance or transfer of any kind of any stock in Maker or for substantially all of the assets of Maker, without due notice to Payee and without the prior written consent of Payee to such sale, exchange, conveyance or transfer.
- d. The filing by or against maker of a petition under the Bankruptcy Reform Act, as amended or recodified from time to time, or any other federal act or state law relating to bankruptcy, insolvency or relief for debtors from their obligations, whether now existing or hereinafter enacted.
- e. The filing by or against Maker of a petition seeking the liquidation or dissolution of Maker or the commencement of any other procedure to liquidate or dissolve Maker or the occurrence of any event, condition or circumstance which causes the liquidation or dissolution of Maker.
- f. The general assignment by Maker of the assets of Maker for the benefit of Maker's creditors.

g. The sequestration or attachment of or any levy or execution upon any substantial portion of the assets of Maker.

i. Maker warrants that the person of "Israel Ray" and "Maverick R. Ray" are the same person, and that if any facts show that "Israel Ray" and "Maverick R. Ray" are not the same person, and are in fact two (2) separate people, then Maker is in default.

## 5. Miscellaneous Provisions.

a. Waiver of Presentment, Protest and Demand. Maker hereby waives presentment, protest and demand, notices of protest, demand, dishonor and non-payment of this Note and all notices of every kind. No single nor partial exercise of any power hereunder or under any other agreements given as security for this Note shall preclude other or further exercise of any other power. Payee shall at all times have the right to proceed against any portion of the security held herefor in such order and in such manner as the holder may deem fit, without waiving any rights with respect to any other security or any other agreements related to the transaction.

b. Attorneys' fees. If this Note is not paid when due, whether at maturity or by acceleration, interest upon the total amount due shall accrue interest at the rate of twenty-five percent (25%) per annum, the Maker agrees to pay all reasonable costs of collection, including but not limited to, reasonable attorneys' fees, including through appeal, and reasonable expenses incurred in connection with the protection or realization of the collateral or enforcement of any guaranty, incurred by Payee on account of such collection, whether or not suit is filed hereon.

c. No Waiver by Payee. No delay or omission on the part of Payee in exercising any rights hereunder or in any other agreements shall operate as a waiver of any such rights hereunder or under said agreements.

d. Assignment. This Note or any interest or obligation of Maker hereunder shall not be assigned in any manner by Maker without the prior written consent of Payee.

e. Applicable Law. This Note has been executed and delivered in the State of Idaho and is to be governed by and construed in accordance with the laws of the State of Idaho.

f. Notice. Any notice required to be given under this Note shall be in writing and may be given to the receiving party by (1) personal delivery or by (2) mail, registered or certified, return receipt requested, postage prepaid, addressed to the address of the receiving party as set forth herein. Any notice shall be deemed to have been given as of the date of delivery or the date of mailing.

g. Binding Effect. The parties agree that the provisions of this Note shall be binding upon and inure to the benefit of the heirs, personal representatives, administrators, successors and assigns of the parties.

h. Entire Agreement. The parties acknowledge that the terms of this Note may vary from the terms contained in any other preliminary agreements, written or oral, made prior to the execution of this Note and may vary from any negotiations between the parties prior to the execution of this Note. The parties agree that the terms, covenants and conditions of this Note shall supersede all such prior negotiations and agreements, and that there are no other agreements not contained in this Agreement, and that this Agreement shall be and is the final expression of the agreement of the parties and shall control. No modification of this Note shall be valid unless in writing and executed by the parties to the Note.

i. Severance and Validity. In the event any provision of this Note or any part thereof shall be determined by any Court of competent jurisdiction to be invalid, void or otherwise unenforceable, the remaining provisions hereunder, or parts thereof, shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated thereby, it being agreed that such remaining provisions shall be construed in a manner most closely approximating the intention of the parties with respect to the invalid, void or unenforceable provision or part thereof.

j. Joint and Several Liability. If there are more than one Maker and Payee as parties to this Note, the obligations and agreements of each of them shall be joint and several.

k. Preparation of Agreements. No presumptions shall exist in favor of our against any party as a result of the drafting and preparation of this Note or any other agreement or document related to this loan transaction.

l. TIME OF ESSENCE AND PERFORMANCE OF AGREEMENTS. THE PARTIES AGREE THAT TIME AND THE PROMPT PERFORMANCE OF EACH AND EVERY TERM, COVENANT AND CONDITION OF THIS NOTE AND ALL OTHER NOTES AND DOCUMENTS RELATED TO THIS LOAN TRANSACTION IS MATERIAL AND OF THE ESSENCE. PERFORMANCE MEANS COMPLIANCE THAT IS FULL AND TO THE LETTER OF THIS AGREEMENT AND ALL OTHER AGREEMENTS AND DOCUMENTS RELATED TO THIS LOAN TRANSACTION; SUBSTANTIAL COMPLIANCE IS NOT AND SHALL NOT BE SUFFICIENT.

IN WITNESS WHEREOF, This Promissory Note is executed as of the 1<sup>ST</sup> day of April, 2008.

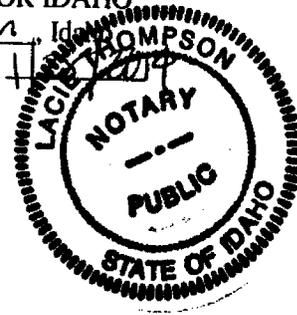
(Maverick R. Ray) Israel Ray  
MAVERICK R. RAY, a.k.a. ISRAEL RAY

STATE OF IDAHO,                    )  
   ) ss.  
 County of Canyon.                )

On this 9<sup>th</sup> day of April, 2008, before me, the undersigned, Notary Public in and for said State, personally appeared Maverick R. Ray, a.k.a. Israel Ray, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Lacie Thompson  
 NOTARY PUBLIC FOR IDAHO  
 Residing at: Ketchum, Idaho  
 Commission expires: 1/1/11



# **EXHIBIT 1**

Principal	\$100,000.00
Interest Rate	14.00%
Term	84
Payment	\$1,874.00
Total Repayment	\$157,416.10
Total Interest	\$57,416.10

Period	Beginning Principal	Payment	Interest Portion	Principal Portion	Principal Balance	Total Payments	Total Interest	Total Principal	
1	\$100,000.00	\$1,874.00	\$1,166.67	\$707.33	\$99,292.67	\$1,874.00	\$1,166.67	\$707.33	5/1/08
2	\$99,292.67	\$1,874.00	\$1,158.41	\$715.59	\$98,577.08	\$3,748.00	\$2,325.08	\$1,422.92	6/1/08
3	\$98,577.08	\$1,874.00	\$1,150.07	\$723.94	\$97,853.14	\$5,622.00	\$3,475.15	\$2,146.86	7/1/08
4	\$97,853.14	\$1,874.00	\$1,141.62	\$732.38	\$97,120.76	\$7,496.00	\$4,616.77	\$2,879.24	8/1/08
5	\$97,120.76	\$1,874.00	\$1,133.08	\$740.93	\$96,379.84	\$9,370.01	\$5,749.84	\$3,620.16	9/1/08
6	\$96,379.84	\$1,874.00	\$1,124.43	\$749.57	\$95,630.27	\$11,244.01	\$6,874.27	\$4,369.73	10/1/08
7	\$95,630.27	\$1,874.00	\$1,115.69	\$758.31	\$94,871.95	\$13,118.01	\$7,989.96	\$5,128.05	11/1/08
8	\$94,871.95	\$1,874.00	\$1,106.84	\$767.16	\$94,104.79	\$14,992.01	\$9,096.60	\$5,895.21	12/1/08
9	\$94,104.79	\$1,874.00	\$1,097.89	\$776.11	\$93,328.68	\$16,866.01	\$10,194.69	\$6,671.32	1/1/09
10	\$93,328.68	\$1,874.00	\$1,088.83	\$785.17	\$92,543.51	\$18,740.01	\$11,283.52	\$7,456.49	2/1/09
11	\$92,543.51	\$1,874.00	\$1,079.67	\$794.33	\$91,749.19	\$20,614.01	\$12,363.20	\$8,250.81	3/1/09
12	\$91,749.19	\$1,874.00	\$1,070.41	\$803.59	\$90,945.59	\$22,488.01	\$13,433.61	\$9,054.41	4/1/09
13	\$90,945.59	\$1,874.00	\$1,061.03	\$812.97	\$90,132.62	\$24,362.02	\$14,494.64	\$9,867.38	5/1/09
14	\$90,132.62	\$1,874.00	\$1,051.56	\$822.45	\$89,310.17	\$26,236.02	\$15,546.18	\$10,689.83	6/1/09
15	\$89,310.17	\$1,874.00	\$1,041.95	\$832.05	\$88,478.12	\$28,110.02	\$16,588.14	\$11,521.86	7/1/09
16	\$88,478.12	\$1,874.00	\$1,032.24	\$841.76	\$87,636.36	\$29,984.02	\$17,620.38	\$12,363.64	8/1/09
17	\$87,636.36	\$1,874.00	\$1,022.42	\$851.58	\$86,784.79	\$31,858.02	\$18,642.81	\$13,215.21	9/1/09
18	\$86,784.79	\$1,874.00	\$1,012.49	\$861.51	\$85,923.27	\$33,732.02	\$19,655.29	\$14,076.73	10/1/09
19	\$85,923.27	\$1,874.00	\$1,002.44	\$871.56	\$85,051.71	\$35,606.02	\$20,657.73	\$14,948.29	11/1/09
20	\$85,051.71	\$1,874.00	\$992.27	\$881.73	\$84,169.98	\$37,480.02	\$21,650.00	\$15,830.02	12/1/09
21	\$84,169.98	\$1,874.00	\$981.98	\$892.02	\$83,277.96	\$39,354.02	\$22,631.99	\$16,722.04	1/1/10
22	\$83,277.96	\$1,874.00	\$971.58	\$902.42	\$82,375.54	\$41,228.03	\$23,603.56	\$17,624.46	2/1/10
23	\$82,375.54	\$1,874.00	\$961.05	\$912.95	\$81,462.58	\$43,102.03	\$24,564.61	\$18,537.42	3/1/10
24	\$81,462.58	\$1,874.00	\$950.40	\$923.60	\$80,538.98	\$44,976.03	\$25,515.01	\$19,461.02	4/1/10
25	\$80,538.98	\$1,874.00	\$939.62	\$934.38	\$79,604.60	\$46,850.03	\$26,454.63	\$20,395.40	5/1/10
26	\$79,604.60	\$1,874.00	\$928.72	\$945.28	\$78,659.32	\$48,724.03	\$27,383.35	\$21,340.68	6/1/10
27	\$78,659.32	\$1,874.00	\$917.69	\$956.31	\$77,703.01	\$50,598.03	\$28,301.04	\$22,296.99	7/1/10
28	\$77,703.01	\$1,874.00	\$906.54	\$967.47	\$76,735.54	\$52,472.03	\$29,207.58	\$23,264.46	8/1/10
29	\$76,735.54	\$1,874.00	\$895.25	\$978.75	\$75,756.79	\$54,346.03	\$30,102.82	\$24,243.21	9/1/10
30	\$75,756.79	\$1,874.00	\$883.83	\$990.17	\$74,766.62	\$56,220.03	\$30,986.65	\$25,233.38	10/1/10
31	\$74,766.62	\$1,874.00	\$872.28	\$1,001.72	\$73,764.89	\$58,094.04	\$31,858.93	\$26,235.11	11/1/10
32	\$73,764.89	\$1,874.00	\$860.59	\$1,013.41	\$72,751.48	\$59,968.04	\$32,719.52	\$27,248.52	12/1/10
33	\$72,751.48	\$1,874.00	\$848.77	\$1,025.23	\$71,726.25	\$61,842.04	\$33,568.29	\$28,273.75	1/1/11
34	\$71,726.25	\$1,874.00	\$836.81	\$1,037.19	\$70,689.05	\$63,716.04	\$34,405.09	\$29,310.95	2/1/11
35	\$70,689.05	\$1,874.00	\$824.71	\$1,049.30	\$69,639.76	\$65,590.04	\$35,229.80	\$30,360.24	3/1/11
36	\$69,639.76	\$1,874.00	\$812.46	\$1,061.54	\$68,578.22	\$67,464.04	\$36,042.26	\$31,421.78	4/1/11
37	\$68,578.22	\$1,874.00	\$800.08	\$1,073.92	\$67,504.30	\$69,338.04	\$36,842.34	\$32,495.70	5/1/11
38	\$67,504.30	\$1,874.00	\$787.55	\$1,086.45	\$66,417.85	\$71,212.04	\$37,629.89	\$33,582.15	6/1/11
39	\$66,417.85	\$1,874.00	\$774.87	\$1,099.13	\$65,318.72	\$73,086.05	\$38,404.77	\$34,681.28	7/1/11
40	\$65,318.72	\$1,874.00	\$762.05	\$1,111.95	\$64,206.77	\$74,960.05	\$39,166.82	\$35,793.23	8/1/11
41	\$64,206.77	\$1,874.00	\$749.08	\$1,124.92	\$63,081.85	\$76,834.05	\$39,915.90	\$36,918.15	9/1/11
42	\$63,081.85	\$1,874.00	\$735.95	\$1,138.05	\$61,943.80	\$78,708.05	\$40,651.85	\$38,056.20	10/1/11
43	\$61,943.80	\$1,874.00	\$722.68	\$1,151.32	\$60,792.48	\$80,582.05	\$41,374.53	\$39,207.52	11/1/11
44	\$60,792.48	\$1,874.00	\$709.25	\$1,164.76	\$59,627.73	\$82,456.05	\$42,083.78	\$40,372.27	12/1/11
45	\$59,627.73	\$1,874.00	\$695.66	\$1,178.34	\$58,449.38	\$84,330.05	\$42,779.43	\$41,550.62	1/1/12
46	\$58,449.38	\$1,874.00	\$681.91	\$1,192.09	\$57,257.29	\$86,204.05	\$43,461.34	\$42,742.71	2/1/12
47	\$57,257.29	\$1,874.00	\$668.00	\$1,206.00	\$56,051.29	\$88,078.05	\$44,129.34	\$43,948.71	3/1/12
48	\$56,051.29	\$1,874.00	\$653.93	\$1,220.07	\$54,831.22	\$89,952.06	\$44,783.28	\$45,168.78	4/1/12
49	\$54,831.22	\$1,874.00	\$639.70	\$1,234.30	\$53,596.92	\$91,826.06	\$45,422.97	\$46,403.08	5/1/12

50	\$53,596.92	\$1,874.00	\$625.30	\$1,248.70	\$52,348.21	\$93,700.06	\$46,048.27	\$47,651.79	6/1/12
51	\$52,348.21	\$1,874.00	\$610.73	\$1,263.27	\$51,084.94	\$95,874.06	\$46,659.00	\$48,915.06	7/1/12
52	\$51,084.94	\$1,874.00	\$595.99	\$1,278.01	\$49,806.93	\$97,448.06	\$47,254.99	\$50,193.07	8/1/12
53	\$49,806.93	\$1,874.00	\$581.08	\$1,292.92	\$48,514.01	\$99,322.06	\$47,836.07	\$51,485.99	9/1/12
54	\$48,514.01	\$1,874.00	\$566.00	\$1,308.00	\$47,206.01	\$101,196.06	\$48,402.07	\$52,793.99	10/1/12
55	\$47,206.01	\$1,874.00	\$550.74	\$1,323.26	\$45,882.74	\$103,070.06	\$48,952.81	\$54,117.26	11/1/12
56	\$45,882.74	\$1,874.00	\$535.30	\$1,338.70	\$44,544.04	\$104,944.06	\$49,488.10	\$55,455.96	12/1/12
57	\$44,544.04	\$1,874.00	\$519.68	\$1,354.32	\$43,189.72	\$106,818.07	\$50,007.79	\$56,810.28	1/1/13
58	\$43,189.72	\$1,874.00	\$503.88	\$1,370.12	\$41,819.60	\$108,692.07	\$50,511.67	\$58,180.40	2/1/13
59	\$41,819.60	\$1,874.00	\$487.90	\$1,386.11	\$40,433.49	\$110,566.07	\$50,999.56	\$59,566.51	3/1/13
60	\$40,433.49	\$1,874.00	\$471.72	\$1,402.28	\$39,031.21	\$112,440.07	\$51,471.28	\$60,968.79	4/1/13
61	\$39,031.21	\$1,874.00	\$455.36	\$1,418.64	\$37,612.58	\$114,314.07	\$51,926.65	\$62,387.42	5/1/13
62	\$37,612.58	\$1,874.00	\$438.81	\$1,435.19	\$36,177.39	\$116,188.07	\$52,365.46	\$63,822.61	6/1/13
63	\$36,177.39	\$1,874.00	\$422.07	\$1,451.93	\$34,725.46	\$118,062.07	\$52,787.53	\$65,274.54	7/1/13
64	\$34,725.46	\$1,874.00	\$405.13	\$1,468.87	\$33,256.59	\$119,936.07	\$53,192.66	\$66,743.41	8/1/13
65	\$33,256.59	\$1,874.00	\$387.99	\$1,486.01	\$31,770.58	\$121,810.08	\$53,580.66	\$68,229.42	9/1/13
66	\$31,770.58	\$1,874.00	\$370.66	\$1,503.34	\$30,267.24	\$123,684.08	\$53,951.31	\$69,732.76	10/1/13
67	\$30,267.24	\$1,874.00	\$353.12	\$1,520.88	\$28,746.35	\$125,558.08	\$54,304.43	\$71,253.65	11/1/13
68	\$28,746.35	\$1,874.00	\$335.37	\$1,538.63	\$27,207.73	\$127,432.08	\$54,639.80	\$72,792.27	12/1/13
69	\$27,207.73	\$1,874.00	\$317.42	\$1,556.58	\$25,651.15	\$129,306.08	\$54,957.23	\$74,348.85	1/1/14
70	\$25,651.15	\$1,874.00	\$299.26	\$1,574.74	\$24,076.41	\$131,180.08	\$55,256.49	\$75,923.59	2/1/14
71	\$24,076.41	\$1,874.00	\$280.89	\$1,593.11	\$22,483.30	\$133,054.08	\$55,537.38	\$77,516.70	3/1/14
72	\$22,483.30	\$1,874.00	\$262.31	\$1,611.70	\$20,871.60	\$134,928.08	\$55,799.69	\$79,128.40	4/1/14
73	\$20,871.60	\$1,874.00	\$243.50	\$1,630.50	\$19,241.10	\$136,802.08	\$56,043.19	\$80,758.90	5/1/14
74	\$19,241.10	\$1,874.00	\$224.48	\$1,649.52	\$17,591.58	\$138,676.09	\$56,267.67	\$82,408.42	6/1/14
75	\$17,591.58	\$1,874.00	\$205.24	\$1,668.77	\$15,922.82	\$140,550.09	\$56,472.90	\$84,077.18	7/1/14
76	\$15,922.82	\$1,874.00	\$185.77	\$1,688.23	\$14,234.58	\$142,424.09	\$56,658.67	\$85,765.42	8/1/14
77	\$14,234.58	\$1,874.00	\$166.07	\$1,707.93	\$12,526.65	\$144,298.09	\$56,824.74	\$87,473.35	9/1/14
78	\$12,526.65	\$1,874.00	\$146.14	\$1,727.86	\$10,798.79	\$146,172.09	\$56,970.88	\$89,201.21	10/1/14
79	\$10,798.79	\$1,874.00	\$125.99	\$1,748.02	\$9,050.78	\$148,046.09	\$57,096.87	\$90,949.22	11/1/14
80	\$9,050.78	\$1,874.00	\$105.59	\$1,768.41	\$7,282.37	\$149,920.09	\$57,202.46	\$92,717.63	12/1/14
81	\$7,282.37	\$1,874.00	\$84.96	\$1,789.04	\$5,493.33	\$151,794.09	\$57,287.42	\$94,506.67	1/1/15
82	\$5,493.33	\$1,874.00	\$64.09	\$1,809.91	\$3,683.42	\$153,668.10	\$57,351.51	\$96,316.58	2/1/15
83	\$3,683.42	\$1,874.00	\$42.97	\$1,831.03	\$1,852.39	\$155,542.10	\$57,394.49	\$98,147.61	3/1/15
84	\$1,852.39	\$1,874.00	\$21.61	\$1,852.39	\$0.00	\$157,416.10	\$57,416.10	\$100,000.00	4/1/15

# ORIGINAL

## LOCK BOX AND SECURITY AGREEMENT

This Lock Box and Security Agreement (the "Agreement") is effective APRIL 9<sup>TH</sup>, 2008, and is entered into between Atlanta Power Company, Inc., an Idaho Corporation ("Obligor") and Eric Alberdi, a sole proprietor (together with its successors and assigns, "Secured Party"),

### RECITALS:

A. On \_\_\_\_\_, 2008, in Case No. ATL-E-08-1, the Idaho Public Utilities Commission entered Order No. \_\_\_\_\_, a true and correct copy of which is attached hereto as Exhibit A (the "IPUC Order").

B. The IPUC Order, among other things, authorized the execution of a promissory note in the amount of One Hundred Thousand and 00/100ths Dollars (\$100,000.00) payable to the order of Secured Party that is to be secured by a Lock Box Agreement. This Agreement is the Lock Box Agreement referenced in the IPUC Order.

C. In connection with this Agreement, and as required by the IPUC Order, the Obligor executed a Promissory Note in favor of Secured Party dated April 9, 2008, in the principal amount of One Hundred Thousand and 00/100ths Dollars (\$100,000.00) (the "Promissory Note").

### AGREEMENT

NOW THEREFORE, for valuable consideration, and in reliance on the recitals above, which the parties acknowledge are true and correct, the parties hereby agree as follows:

1. As collateral security for the prompt and complete payment and performance when due of all of the obligations set forth in the Promissory Note, and subject to the terms of the IPUC Order, the Obligor hereby pledges and grants to Secured Party a continuing security interest in and lien on (the "Collateral"): all of the Obligor's accounts, whether now owned or hereinafter acquired, and any and all additions, accessions, replacements, and substitutions thereto, and all proceeds thereof. The Obligor shall execute any and all UCC-1 Financing Statements required by Secured Party to allow Secured Party to perfect its lien in the Collateral. Obligor further represents and warrants that upon the filing of any such financing statement at the office of the Idaho Secretary of State, the Secured Party shall have a valid lien on and security interest in the Collateral.

2. This Agreement incorporates by reference all of the provisions of the Promissory Note and the IPUC Order.

3. In the event of an occurrence of a default under the Promissory Note (an "Event of Default") and following the provision of written notice (the "IPUC Notice") to the Idaho Public Utilities Commission of such Event of Default as required by Section 3 of the

Promissory Note, the Secured Party may exercise all of the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, whether at law, in equity, or otherwise. Furthermore, fourteen (14) days from the date of the IPUC Notice, the Obligor shall: (A) establish a segregated account (the "Segregated Account") at a bank that is acceptable to the Secured Party in its sole discretion; (B) execute a control agreement ("Control Agreement") required by the Secured Party in its sole discretion, but subject to the IPUC Order, which among other things, provides that the Secured Party has control over the funds in the Segregated Account for purposes of perfecting the Secured Party's security interest in and lien on such funds; and (C) within one business day of Obligor's receipt thereof, deposit all of the payments received from the Obligor's customers directly into the Segregated Account.

4. Commencing on the fifteenth (15th) day of the first month following the date of the IPUC Notice, and ending when all amounts owed and under the Promissory Note are paid in full, Obligor shall make, or shall direct the bank holding the Segregated Account funds to make, all monthly disbursements from funds held in the Segregated Account as required by the IPUC Order, as follows:

4.1. First, a \$2,100 reserve will be maintained in each and every month for the purpose of making the payments due (by the due date) for applicable insurance, property taxes, Forest Service special use permits, IPUC fees, and the minimum income tax payable by Obligor;

4.2. Second, an additional \$1,100 reserve will be maintained in each and every month for the purpose of paying the monthly contract labor associated with meter reading, billing, maintenance and duties necessary to operate the utility. Management fees are excluded from this reserve;

4.3. Third, an additional \$375 will be reserved each month until a balance of \$4,500 is accumulated to pay the maintenance costs necessary to maintain electrical service to customers and office supply expenses necessary to bill and process customer receipts;

4.4. Fourth, an additional \$375 will be reserved each monthly until a balance of \$4,500 is accumulated to pay costs to operate the back-up generator of the utility, if needed;

4.5. Fifth, pay the monthly installment on the Promissory Note by the due date established; and

4.6. Finally, the remaining balance of the Lock Box funds is available to Atlanta Power for payment of other operating expenses.

4.7. Relation to Reserves in Lock Box Agreement in Case No. ATL-E-04-1. The parties understand that there is a prior Lock Box Agreement in Case No. ATL-E-04-1. That Lock Box Agreement specifies certain reserves for certain purposes. It is

intended that this Agreement was not intended to add additional reserves to reverses already stated under the Lock Box Agreement in Case No. ATL-E-04-1. For example, the Lock Box Agreement in Case No. ATL-E-04-1, paragraph 4.2, calls for a reserve of \$2,000 for insurance, property taxes and Forest Service permit. This Agreement, paragraph 4.1, calls for a reserve of \$2,100 for the same purposes. The parties do not intend that the reserve for these purposes is now \$4,100. Rather, the parties believe that the reserve for that purpose is now \$2,100. The parties intend that the reserves stated in this Agreement are the current and correct reserves.

5. This Agreement may be modified only by the express written agreement of the parties hereto.

6. Obligor shall not be allowed to assign this Agreement or delegate its obligations under the Promissory Note. Secured Party shall be allowed to assign this Agreement, the Promissory Note and all related documents. Any assignment or endorsement of the Promissory Note by Secured Party, or its assigns, shall be deemed to also operate as an assignment of this Agreement in favor of any such assignee or endorsee to the Promissory Note.

7. A breach of any of the terms of this Agreement shall be deemed to be a violation and breach of the IPUC Order.

8. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

9. This Agreement shall be governed by and interpreted and construed in accordance with the laws of the state of Idaho.

10. In the event of any dispute arising in connection with, out of, or otherwise relating to this Agreement or the Promissory Note, the prevailing party shall be entitled to recover from the non-prevailing party, all costs, expenses and reasonable attorneys' fees incurred by such prevailing party, whether incurred at the trial court, appellate court, bankruptcy court, or if incurred prior to litigation.

11. Should any portion of this Agreement be declared as a matter of law to be unlawful, void or otherwise inoperative, the remaining provisions will remain in full force and effect.

12. This Agreement, the Promissory Note and the documents to be executed hereto contain the entire agreement between the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the 9<sup>th</sup> day  
of April, 2008.

ATLANTA POWER COMPANY, INC.,

ERIC ALBERDI

*(Maverick R. Ray) Israel Ray*  
By: Maverick Ray, a.k.a. Israel Ray, President

*Eric Alberdi*  
By: Eric Alberdi