

**INFORMATION REGARDING THE AGREEMENT BETWEEN THE  
LAKE COUNTY SOLID WASTE MANAGEMENT DISTRICT AND  
POWERS ENERGY ONE OF INDIANA, LLC  
REGARDING A WASTE TO ETHANOL FACILITY  
IN LAKE COUNTY, INDIANA**

November 20, 2008

The Lake County Solid Waste Management District Board entered into a collective purchasing agreement with Powers Energy One of Indiana, LLC at the District Board's November 20, 2008 Board meeting for and on behalf of the cities and towns in Lake County, and subject to approval by each of the participating Lake County municipalities. The project involves a waste to ethanol facility which would receive the municipal solid waste currently being generated and collected in each city and town, recycling various materials, and processing the remainder of the waste into ethanol. Any material not otherwise recycled or transformed into ethanol would still be disposed at an appropriate landfill.

The benefits of such a project are numerous. From a solid waste management standpoint, the amount of waste ultimately going to landfills would be reduced by 80% to 90%, with the diverted material being recycled. The ethanol being produced, approximately 90 gallons per ton of waste, would help reduce our country's dependence on foreign oil. The cost to the municipalities for the processing and disposal of the solid waste will be \$17.25/ton at the waste to ethanol facility, with no yearly increase for 20 years: a savings of over two-thirds the cost for landfilling. In addition, the municipality in which the facility will be located will additionally receive 3 cents/gallon for each gallon of ethanol produced.

The cost for construction of the waste to ethanol facility is approximately \$200 million, privately funded and insured, with no tax abatement. Such a facility would not only provide construction jobs, at prevailing wage, but would provide increased employment once the facility began operation, all with a preference to local companies, businesses and citizens.

The operation of the facility involves proven technology, employing a gasification system and a biological conversion, all of which must comply with all federal and state permit requirements. There is no adverse environmental impact which will result from the operation of the facility: in fact, the operation of the facility will result in the reduction of greenhouse gases compared to those gases currently being generated at landfills.

The Lake County Solid Waste Management District began this review process back in May, 2007. Consistent with the recommendation by the 2007 Good Government Study prepared by Maximus, Inc., the District Board requested proposals for the taking of the solid waste generated and collected in Lake County, Indiana, on behalf of and for the benefit of the municipalities in Lake County. There were three proposals received by the District in June of 2007: two from waste to ethanol facilities (Powers Energy One of

Indiana, LLC and Agresti, LLC) providing for the processing/disposal of the waste and one from a waste company (Allied Waste Industries, Inc.) providing landfill capacity.

After initial presentations by all proposers, negotiations with all three proposers began in January, 2008. In the District's interactive review of these proposers, technical review was provided by J Spear Associates from Wisconsin and Dr. Nathan Mosier, an engineering professor from Purdue University. The financial review was provided by Crowe Chizek and Company. Legal services have been provided both by Clifford Duggan, in-house counsel for the District, and lawyers from Barnes & Thornburg LLP.

There have been numerous public meetings of the District's Board from June, 2007 through November, 2008, during which various presentations and reviews have occurred. There has been the opportunity for public input at each of the Board meetings, and such input has been received. Reports prepared by and/or conclusions reached by the consultants have been provided to the public and press. These reports include findings regarding the economic and environmental reliability of gasification and the biological conversion, which is the process proposed by Powers Energy One, as well as review and findings of the other proposed processes.

A preliminary agreement was made available for public review and comment since the District Board meeting on August 14, 2008. A public hearing was held at the District Board meeting on November 20, 2008. The final agreement was adopted after that hearing and after further discussion by the District Board. The proposed terms of the agreement were found by the District Board to be in the best interest of the citizens and municipalities of Lake County.