

**BARRETTS MINERALS INC.**  
*A subsidiary of Minerals Technologies Inc.*  
Agreement No.: 070289

CONFIDENTIAL INFORMATION DISCLOSURE AGREEMENT

Effective Date: October 12, 2007  
Disclosure End Date: October 11, 2011  
Termination Date: October 11, 2021

1. The parties to this Agreement, and their addresses, are:

**ELECTRIC CITY POWER**  
Attn: Fiscal Services  
PO Box 5021  
Great Falls, MT 59403  
"Participant"

**BARRETTS MINERALS INC.**  
2700 Bluff Road  
Mt. Vernon, IN 47620  
"BMI"

2. The recipient of Confidential Information shall be: Participant  BMI  Both

3. Confidential Information under the terms of this Agreement includes, but is not limited to, BMI's power pricing, power usage, and specific terms of the Parties July 1, 2007 Amended and Restated Long Term Power Supply Agreement.

The amount of Confidential Information to be disclosed shall be completely within the discretion of the disclosing party. All disclosures under this Agreement must be made by the Disclosure End Date identified above.

4. The purpose of this Agreement is to enable the City of Great Falls Electric Coop to engage in the business of providing electrical services to BMI's plant.
5. Any communication by either party concerning this Agreement shall be sent to the representative of the other party. Either party may change its representative by giving written notice of the change to the other party. The representative of each party is:

Participant: Coleen Balzarini,  
City Control, Director of Financial  
Services City of Great Falls

BMI: Rocky Smith,  
North American Talc Operations Manager

6. Confidential Information shall include disclosures of information that have already been made or that will be made in the course of this Agreement including, without limitation, data, know-how, formulas, compositions, processes, documents, designs, sketches, photographs, plans, graphs, drawings, specifications, equipment, samples, reports, customer lists, pricing information, studies, findings, inventions and ideas generated as a relevant part of this Agreement.

7. (a) Standard of Care: The recipient of Confidential Information shall exercise reasonable care to prevent its disclosure to any third party, shall restrict its use to the purpose of this Agreement set forth in Paragraph 4 above and shall limit disclosure of Confidential Information within its own organization to individuals whose duties justify the need to know such information, who have a clear understanding of the obligations of this Agreement and who are legally obligated to maintain the confidentiality of Confidential Information.

(b) Use of Consultants: The parties acknowledge that consultants are third parties to this Agreement and, accordingly, a party will obtain a written consent from a disclosing party before providing a consultant with access to a disclosing party's Confidential Information. A request for consent shall be accompanied by an

original, signed statement by the consultant that any Confidential Information received by the consultant will be treated in accordance with the terms of this Agreement. The receiving party shall guarantee the performance of a consultant for whom consent is obtained. A disclosing party shall have the sole discretion to grant or refuse consent.

8. The recipient of Confidential Information shall be under no obligation with respect to any information which: (a) at the time of disclosure is available to the public; or (b) after disclosure becomes available to the public through no fault of the recipient, provided that the obligations of the recipient shall cease only after the date on which such information has become available to the public; or (c) the recipient can demonstrate through tangible evidence was in its possession before receipt from the disclosing party; or (d) is disclosed to the recipient without restriction on disclosure by a third party who has the lawful right to disclose such information. Confidential Information shall not be deemed to be within the foregoing exceptions merely because it is (1) specific and embraced by more general information in the public domain or recipient's possession or (2) a combination which can be pieced together to reconstruct the Confidential Information from multiple sources, none of which shows the whole combination, its principle of operation and method of use.
9. This Agreement does not grant any right or license, express or implied, to use Confidential Information except for the purpose of this Agreement, nor any right or license, express or implied, under any patent, nor any right to purchase, distribute or sell any product.
10. All obligations created by this Agreement shall expire on the Termination Date.
11. If either Party to this Agreement is required by law or ordered by a court or governmental agency of competent jurisdiction to disclose any Confidential Information, the disclosing Party shall promptly notify the non-disclosing Party. Both parties shall seek to restrain such disclosure and to obtain a protective order or other appropriate relief from the court or agency. If a protective order or other relief is not obtained, the disclosing Party may disclose only that portion of the Confidential Information which is legally required.
12. The burden of showing that any of the confidential information is not subject to the obligations of this Confidentiality Agreement shall rest with the party seeking to make such an exception.
13. Any disclosure of information will be in accord with all governmental regulations including regulations controlling the export of technical data promulgated by the United States Department of Commerce.
14. In this Agreement, Participant or BMI shall be understood to include any company controlling, controlled by, or under common control with Participant or BMI, respectively, through equitable ownership, direct or indirect.
15. Any invention, discovery, design or improvement which is independently conceived of, developed or made in the course of or as a result of this Agreement between the parties, shall be owned by the party making such independent invention, discovery, design or improvement. In the case that any invention, discovery, design or improvement is jointly conceived of, developed or made in the course of or as a result of this Agreement between the parties, the same shall be owned jointly by the parties.
16. Participant shall treat the existence of this Agreement and its contents as Confidential Information.

17. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, U.S.A.

By the signatures below of duly-authorized persons, BMI and Participant agree to all of the terms and conditions of this Agreement.

**ELECTRIC CIT POWER**


By: *Coleen Balzarini*

Name: Coleen Balzarini

Title: Fiscal Services Director  
City of Great Falls

Date: 11/15/07

**BARRETTS MINERALS INC.**

By: *Thomas E. Nye* 

Name: Thomas E. Nye

Title: Director - Manufacturing, Performance Minerals

Date: 11/9/2007

**Amended and Restated  
Long Term Power Supply Agreement**

This Amended and Restated Long Term Power Supply Agreement (the “Agreement”) is made as of the Effective Date between Electric City Power, Inc., a Montana nonprofit corporation (“Electric City”), an electricity supplier licensed by the Montana Public Service Commission, and Barretts Minerals Inc. (“Customer”), a Montana corporation, each a “Party” and, collectively, the “Parties” to this Agreement.

**Recitals**

The circumstances and facts under which this Agreement is made and executed are as follows:

1. The City of Great Falls, Montana (the “City”) authorized the organization of Electric City as an instrumentality of the City pursuant to the provisions of the Montana Nonprofit Corporation Act, Title 31, Chapter 2, Montana Code Annotated, as amended, to own, construct, finance, operate and maintain the properties, facilities, rights and interests comprising the City’s municipal electric utility established pursuant to Section 5.20.030, OCCGF, and to provide reliable electricity supply services to consumers within and outside of the boundaries of the City at stable, cost-based rates, all for and on behalf of the City.
2. Electric City has previously been licensed by the Montana Public Service Commission as an “electricity supplier” under the Electric Utility Restructuring and Customer Choice Act, Title 69, Chapter 8, Montana Code Annotated, as amended (the “Customer Choice Act”), with the authority to provide electricity supply services to certain classes of electricity consumers within the State.
3. Effective October 1, 2007, Montana House Bill 25 prospectively repeals the primary elements of the Customer Choice Act but preserves electricity supply contracts that are in effect prior to October 1, 2007 and requires that licensed electricity suppliers under the Customer Choice Act provide, and their customers be afforded, fair and open long-term access to transmission and distribution facilities, as determined by the Montana Public Service Commission.
4. Electric City, through the City, is a member of Southern Montana Electric Generation & Transmission Cooperative, Inc., (“SME”), a rural electric cooperative organized and doing business under the provisions of Title 35, Chapter 18 of the Montana Code Annotated.
5. Through the City, Electric City purchases electricity under a full requirements contract with SME, which in turn maintains certain portfolio power supply resources in order to provide reliable, cost-based electricity service to the City and its other member customers.

6. Among other power supply resources, SME is undertaking the development of a 250 megawatt coal-fired electric generating facility located in Cascade County, Montana near the City of Great Falls known as the Highwood Generating Station (“HGS”), presently anticipated to begin commercial operation in 2012, which will be operated by SME and which is anticipated to become a major component of SME’s portfolio power supply resources.
7. Electric City presently intends to acquire a 15% ownership interest in HGS and, in connection with the acquisition and financing of such ownership interest, desires to enter into long-term power supply agreements with retail customers in order sell the electricity from its ownership interest at cost-based rates that will provide Electric City with revenues sufficient to enable it to pay the costs of operation, maintenance and debt service costs of its ownership interest in HGS as well as to otherwise acquire and provide low-cost power supply resources to Electric City’s customers.
8. Customer operates a talc processing facility at a site located at 8625 Highway 91, Dillon, Montana (the “Facility”).
9. Electric City and Customer previously entered into a Power Supply Agreement for service starting on July 1, 2007 and providing for continued service through June 30, 2011 (the “Previous Contract”).
10. The Parties desire to amend and restate their Previous Contract and Customer desires to purchase and receive from Electric City its total electricity requirements for operation of its Facility, and Electric City is willing and able to secure and furnish Customer the electric power to meet Customer’s needs, during the term of this Agreement and any extension thereof.

Now, Therefore, in consideration of the foregoing, the mutual promises of the parties, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

#### **Article I** Definitions

The following definitions and terms apply to this Agreement and all communications under this Agreement.

“Billing Month” means the time elapsed between two successive meter readings by Northwestern.

“Delinquency Date” has the meaning given to it in Section 4.2.

“Delivery Point” means the Northwestern electrical substation facility providing service to each of Customer’s Facilities, as designated by Northwestern, or such other location as agreed by the Parties.

“Delivered Electricity” means the total metered kilowatt hours of Electricity received by Customer as recorded at the Metering Facilities.

“Effective Date” has the meaning given to it in Section 3.2.

“Electricity” shall mean electric demand and energy consisting of alternating current, three phase, sixty hertz cycle.

“Extension Term” has the meaning given to it in Section 3.1.

“Facility” has the meaning given to it in the Recitals.

“Force Majeure” has the meaning given to it in Section 7.1.

“General Administrative Charges” means Electric City’s reasonable administrative and operational costs and expenses, including overhead.

“HGS” has the meaning given to it in the Recitals.

“Initial Term” has the meaning given to it in Section 3.1.

“Metering Facilities” means the electric meter(s) located at the Customer’s Facility, which Metering Facilities are owned and maintained by Northwestern.

“Northwestern” means Northwestern Energy and any successor thereto that operates the electric distribution system which provides the delivery of Electricity to the Facility under this Agreement.

“Supply Costs” means, for any Billing Month, all of the actual costs and expenses incurred by Electric City and reasonably allocated to the Billing Month in generating, purchasing or otherwise acquiring sufficient supplies of Electricity to provide service to Customer under this Agreement. “Supply Costs” include, but are not limited to, all fixed and variable expenses, operation, maintenance, power management, and fuel costs of generating resources owned by Electric City, debt service costs, reserve requirements, and other amounts payable in respect of indebtedness incurred by Electric City to finance the costs of generating and power supply resources, purchased electric power costs and expenses, costs of renewable electric resources as and to the extent required by law, Taxes and Assessments, Transmission Costs, General Administrative Charges, and all other costs and expenses allocable to the Electricity supply service to Customer.

“Taxes and Assessments” means all applicable present and future taxes, charges, levies, duties, licenses, fees, charges, permits and assessments of any nature (including, without limitation, any universal systems benefits charge or like assessment imposed under Montana law), including interest, penalties, and additions thereto, imposed by any government, taxing, or regulatory

authority in respect of or relating to any payments by Customer to Electric City, or deliveries of Electricity from Electric City to Customer, under this Agreement.

“Transmission Costs” means Electric City’s actual costs of transmitting electricity to Customer under this Agreement, including transmission losses.

## **Article II** Sale and Purchase

### Section 2.1: Sale and Purchase of Electricity.

During the Initial Term of this Agreement, and any Extension Term, Electric City hereby agrees to sell and deliver or make available, or cause to be delivered or made available, and Customer agrees to purchase and receive, or cause to be purchased and received, the amount of Electricity as set forth in Section 2.2. In consideration thereof, Customer shall pay Electric City the Supply Costs set forth in Section 4.1 of this Agreement, and shall otherwise comply with the terms and conditions of this Agreement.

### Section 2.2: Full Requirements.

The quantity of Electricity that Customer shall purchase and receive from Electric City under this Agreement shall be the full amount of electricity that is required for all of Customer’s operations at its Facility on a month-to-month basis. In satisfaction of Customer’s obligations under this Section from the Effective Date until June 30, 2011, Electric City agrees to supply, and Customer agrees to take and pay for, 4 megawatts of Electricity per hour on a “flat” basis (24 hours per day, 7 days per week). This Section shall not be deemed to prohibit Customer from utilizing electricity generated by a standby generation plant, owned and/or operated by Customer, to the extent the use of such electricity may be required for short-term emergency or reliability purposes. Customer makes no claims, representations or warranties as to the amount of its actual or potential electricity requirements after June 30, 2011. From July 1, 2011 through, and including, July 1, 2042, the Parties agree that Customer shall have no express or implied obligation to purchase any electricity under this Agreement other than its month-to-month requirements.

### Section 2.3: Load Forecasts; Changes in Load Requirements.

On or before May 1st for the 12 month period commencing July 1st of each year, Customer shall provide Electric City with a written forecast of its average and peak load requirements during the next calendar year. Customer further agrees to provide Electric City with reasonable advance notice of any significant changes in its load requirements due to events such as scheduled Facility maintenance and Facility expansions. Customer further agrees to comply with reasonable dispatch and scheduling procedures as Electric City may adopt or amend from time to time.

### Section 2.4: No Resale.

Customer agrees that it will not sell or otherwise transfer any of the Electricity delivered to it under this Agreement to any third party without Electric City’s prior written consent.

Section 2.5: Transmission and Scheduling.

Electric City shall arrange and be responsible for transmission service to the Delivery Point, and shall schedule or arrange for scheduling services with its transmission providers.

Section 2.6: Distribution.

Under the Customer Choice Act, electricity purchased from licensed electricity suppliers is delivered by the supplier to Northwestern for distribution to the retail customer. As between Customer and Electric City, Customer shall be solely responsible for compliance with all public utility tariffs, rules, regulations, and orders, as may be changed and amended from time to time, relating to the distribution of Electricity provided under this Agreement, including payment of all applicable fees and charges directly to Northwestern. Customer has provided to Electric City copies of any contracts with Northwestern for distribution services and agrees to provide to Electric any amendments or supplements thereto.

Section 2.7: No Take or Pay.

The Parties hereby agree that Customer is not obligated to take or pay for any amount of electricity supplied by Electric City or from any third party from July 1, 2011 through, and including, July 1, 2042.

### **Article III**

#### Term and Effective Date

Section 3.1: Term.

Subject to Section 3.4, this Agreement shall be in full force and effect from the Effective Date for the period that is thirty-five (35) years after the Effective Date (the "Initial Term"). The Initial Term will be automatically extended for five year periods (the "Extension Terms") unless either Party provides written notice of termination of this Agreement at least one year prior to the expiration of the Initial Term or the Extension Term then in effect.

Section 3.2: Effective Date.

This Agreement shall be effective as of July 1, 2007 (the "Effective Date").

Section 3.3: Commencement of Delivery.

The date of first delivery of electricity under this Agreement shall be on or about July 1, 2007. Not less than ten (10) days before the anticipated date for the commencement of service, Customer shall give Electric City written confirmation of the commencement date, together with any revisions to the estimated average and peak demand of the Facility for the first ninety (90) days of service.

Section 3.4: Construction of HGS.

If for any reason physical, on-site construction of HGS has not begun by October 1, 2012, Customer may terminate this Agreement by providing written notice to Electric City; provided, however, that such termination may not be effective any sooner than one (1) year from the date of such notice.



**Article IV**  
Supply Costs, Billing, Payment, and Security

Section 4.1: Supply Costs.

For all Delivered Electricity made available under this Agreement in any Billing Month, Electric City agrees to charge and accept from Customer, and Customer agrees to pay Electric City (a) the amounts specified on Schedule B attached hereto for the time periods stated therein; or (b) except as otherwise provided in Schedule B, the portion of the Supply Costs allocable to Customer during the relevant Billing Month. Supply Costs under this Agreement shall be calculated on a per kilowatt hour basis. In allocating Supply Costs to Customer under this Agreement, due consideration will be given to the nature of Customer's load requirements.

Section 4.2: Invoicing and Payment.

Electric City will render a monthly billing statement of the Supply Costs for Electricity provided during the preceding Billing Month. The timing of Customer's billing statement will be a function of the date that Northwestern takes a reading from Customer's Metering Facilities. Payment shall be due and payable on or before the 45th day after the date of the monthly billing statement. If Customer's invoice has not been paid within forty-five (45) days of the date of the billing statement, Electric City may demand immediate payment by providing notice to Customer. Subject to Section 4.4, if Customer's invoice is not paid in full within ten (10) days of such further notice (the "Delinquency Date"), the account will be deemed delinquent and the provisions of Section 6.1 will apply.

Section 4.3: Audit.

- (a) Customer shall have the right upon reasonable notice and during regular business hours to audit Electric City's records supporting any charge made under this Agreement. Customer may not request more than two (2) audits per calendar year and shall bear all costs of such audits. In connection with any such audit, Electric City may not be required to provide documents from the time period that is more than three (3) years prior to the date that the audit is first requested.
- (b) Electric City shall have the right upon reasonable notice and during regular business hours to audit Customer's records relating to its compliance with this Agreement, including Section 2.2. Electric City may not request more than two (2) audits per calendar year and shall bear all costs of such audits. In connection with any such audit, Customer may not be required to provide documents from the time period that is more than three (3) years prior to the date that the audit is first requested.

Section 4.4: Disputed Amounts.

Except with respect to faulty Metering Facilities pursuant to Section 5.1, below, if Customer, in good faith, disputes an invoice it must, within sixty (60) days of the invoice date, provide Electric City with a written statement detailing the basis for the dispute and must pay the full amount invoiced. The Parties agree to attempt in good faith to resolve disputed invoices.

Disputed amounts determined to be incorrect will be credited back to Customer within ten (10) days after the determination.

Section 4.5: Security.

Unless Customer otherwise establishes its creditworthiness to the reasonable satisfaction of Electric City, Customer shall provide security for its payment obligations hereunder as follows:

- (a) Customer shall provide security in an amount equal to Customer's reasonably anticipated Supply Costs for two months of service under this Agreement.
- (b) Security shall be provided in the form of (i) cash, (ii) an irrevocable letter of credit issued by a financial institution rated at least "A" by Moody's or Standard & Poor's, (iii) an irrevocable guaranty issued by an entity rated at least "A" by Moody's or Standard & Poor's, (iv) a surety bond issued by an insurance company rated at least "A" by Moody's, Standard & Poor's or A.M. Best or (v) such other forms of security as may be agreed to by Electric City and Customer in writing. The security shall be delivered to or for the account of Electric City.
- (c) In the event of a failure by Customer to pay timely any amount due under this Agreement by the Delinquency Date, Electric City shall have the right to draw upon such security to satisfy Customer's payment obligation, whereupon Customer shall immediately restore or replenish such security to the required amount.
- (d) In the event of a failure by Customer to post, maintain or restore security for its payment obligations as provided in this Section, the provisions of Section 6.1 shall apply.

**Article V**

Technical and Service Requirements

Section 5.1: Metering Facilities; Errors and Adjustments.

The Metering Facilities are owned and operated by Northwestern. Upon request by Electric City, Customer agrees to request that Northwestern maintain, replace, or test the Metering Facilities for accuracy. In the event that the Metering Facilities are determined to be inaccurate, the Parties agree to follow such procedures as may be applicable to Northwestern in order to determine the appropriate amount of charge due or credit owed as the result of the inaccurate Metering Facilities. In any event, the Parties agree to attempt to agree, in good faith, as to the amount of energy furnished during such period.

Section 5.2: Equipment Maintenance and Safety.

Customer shall be solely responsible for the appropriate maintenance of its electric equipment. Northwestern shall be solely responsible for the appropriate maintenance of the relevant Metering Facilities. Customer is further solely responsible to provide adequate safety protection and appropriate fuses or thermal(s) for all of its electrical equipment in order to provide for the safety of its employees, agents, licensees, or other persons, including any foreseeable misuse of electricity or related equipment.

Section 5.3: Standard of Service.

Electric City agrees to use commercially reasonable diligence to provide a constant and uninterrupted supply of Electricity to Customer under this Agreement. Without limitation on the generality of the foregoing, in performing its obligations under this Agreement, Electric City agrees as follows:

- (a) to manage and maintain its electrical supply portfolio in a commercially reasonable manner to provide resources sufficient to render service to Customer in accordance with this Agreement; and
- (b) to undertake commercially reasonable actions to secure firm transmission service necessary to meet its service obligations hereunder and to prevent diminutions, interruptions or outage in Electricity deliveries.

Section 5.4: Compliance with Law.

Customer and Electric City agree to comply with all applicable federal, state, and local laws, rules, regulations, ordinances, orders, licenses, and tariffs, now in existence or as may be enacted or amended in the future, relating to this Agreement or such party's performance hereunder.

Section 5.5: Access.

Customer grants Electric City, its employees and agents or other authorized persons access at reasonable hours upon reasonable prior notice from Electric City to inspect, test, or read Customer's Metering Facilities and related equipment, provided that Electric City agrees to refrain from using such access in a manner that unreasonably interferes with Customer's operations at the applicable Facility.

**Article VI**  
Termination and Default

Section 6.1: Events of Default.

Each of the following shall constitute an event of default under this Agreement:

- (a) failure by Customer to pay any amount due under this Agreement on or prior to the Delinquency Date;
- (b) failure by Customer to post security for its payment obligations pursuant to Section 4.5 within sixty (60) days of Electric City's request therefor;
- (c) failure by Customer to maintain or replenish security as provided in Section 4.5;
- (d) bankruptcy, insolvency or reorganization of Customer without an assumption of this Agreement within sixty (60) days of the commencement of any such proceeding; or

Upon the occurrence of an event of default, Electric City may (i) immediately suspend all service under this Agreement by written notice to Customer and (ii) terminate this Agreement by an additional written notice to Customer fixing a termination date which shall be no earlier than sixty (60) days after the date of the notice of termination. At the time Electric City provides such

additional notice of termination to Customer, Electric City may also inform the distribution utility of the effective date of such contract termination. Any notice of termination of this Agreement may be rescinded by Electric City in the event that Customer cures all events of default that have occurred and are continuing and takes such other actions (including the prepayment of future billing statements and/or the posting of additional security) as Electric City may reasonably require.

Section 6.2: Electric City Default; Emergency Service.

In the event that Electric City fails to provide Electricity under this Agreement sufficient to meet Customer's requirements pursuant to Section 2.2 and Customer obtains electricity service from a public utility or other electricity service supplier ("Emergency Service"), Electric City agrees to pay directly for such Emergency Service to the extent required by law, rule, regulation, or tariff and to otherwise hold Customer harmless for the costs of such Emergency Service. Customer may terminate this Agreement if and only to the extent that Customer is required by law to take electricity service, on a permanent basis, solely from a public utility as the result of Electric City's failure to provide Electricity pursuant to this Agreement sufficient to meet Customer's requirements pursuant to Section 2.2.

Section 6.3: Remedies.

The rights and remedies set forth in this Agreement are cumulative with all other rights and remedies available at law or equity and each Party reserves all of its rights and remedies available in law or equity unless otherwise expressly provided in this Agreement.

Section 6.4: Limitation on Damages.

If no remedy or measure of damages is expressly provided for with regard to an event of default under this Agreement, then the liability of the defaulting Party is limited to direct damages actually suffered by the non-breaching Party. Anything in this Agreement or at law or in equity to the contrary notwithstanding, in no event will either Party be liable to the other Party or to any third party for incidental, indirect, consequential or punitive damages relating to or otherwise arising out of this Agreement, including without limitation, lost profits or business interruption.

Section 6.5: Mitigation of Damages.

Electric City and Customer shall act in a commercially reasonable manner to mitigate any and all damages incurred in connection with this Agreement. Neither Party may terminate this Agreement, or default on this Agreement, with the sole intent of selling or purchasing supply electrical service to or from another, non-affiliated party.

**Article VII**  
Force Majeure

Section 7.1: Force Majeure Event.

For purposes of this Agreement, Force Majeure shall mean any event or occurrence which causes the inability of Electric City to perform under this Agreement and which is not reasonably within the control of Electric City. Force Majeure shall include but not be limited to the following:

- (a) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms, or storm warning, such as tornados, which result in evacuation of affected area, floods, washouts, explosions;
- (b) acts of others including but not limited to strikes, lockouts, or other industrial acts of others, or other industrial disturbances, riots, sabotage, insurrections of wars; and
- (c) governmental actions such as those requiring compliance with any court order, administrative order, fine, penalty, enforcement order, directive, law, statute, ordinance or regulation promulgated by a governmental authority having jurisdiction.

Section 7.2: Performance Excused; Obligations Suspended.

If Electric City is unable to perform all or part of its obligations under this Agreement due to Force Majeure, and Electric City notifies Customer as soon as is reasonably practicable of the Force Majeure and the extent to which the Force Majeure is expected to impact Electric City's performance, then the failure by Electric City to perform is excused to the extent and for the duration of the Force Majeure, and the obligations of Electric City shall be suspended to the extent and for the duration of the Force Majeure. Electric City shall use commercially reasonable efforts to eliminate or avoid the Force Majeure and resume performing its obligations. Customer shall not be responsible for any payments to Electric City or any third party arising out of, related to, or during any Force Majeure event.

**Article VIII**  
Indemnification

Section 8.1: Indemnification.

- (a) Except as otherwise provided in this Agreement, Electric City hereby agrees to indemnify, defend, and hold harmless Customer, including, without limitation, Customer's agents, officers, employees, elected and appointed officials, and members, from any claim, liability, demand, judgment, right or cause of action arising out of or in any way related to any negligent or wrongful act or omission of Electric City or its agents or employees acting within the scope of their employment;
- (b) Except as otherwise provided in this Agreement, Customer hereby agrees to indemnify, defend, and hold harmless Electric City, including, without limitation, Electric City's agents, officers, employees, elected and appointed officials, and members, from any claim, liability, demand, judgment, right or cause of action arising out of or in any way related to any wrongful act or omission of Customer or its agents or employees acting within the scope of their employment.

**Article IX**  
Notices

Section 9.1: Notices.

All notices and requests pursuant to the Agreement shall be given by facsimile, prepaid registered or certified mail return receipt requested, private courier service, or by personal delivery, and shall be deemed to have been given on the date received, except facsimile notification shall be deemed given when sent, and shall be sent to the following addresses or facsimile numbers:

Notices and Billing:

**Barretts Minerals Inc.**

Attention: Purchasing Manager  
8625 Highway 91 South  
Dillon, MT 59725  
Telephone: (406) 683-4231  
Facsimile: (406) 683-3351

**Electric City Power**

Attention: Fiscal Services  
PO Box 5021  
Great Falls, MT 59403  
Telephone: (406) 455-8478  
Facsimile: (406) 452-8048

Either Party may change its notice address by written notice to the other Party, which notices shall be effective only upon receipt.

**Article X**  
General Provisions

Section 10.1: Representations and Warranties; Inter-local Cooperation.

- (a) Electric City hereby represents, covenants, and warrants to Customer as follows:
- (i) Electric City is a nonprofit corporation duly organized by the City under the provisions of the Montana Nonprofit Corporation Act; (ii) Electric City was created and is operated for the purpose, among other things, to own, construct, finance, operate and maintain the properties, facilities, rights and interests comprising the City's municipal electric utility; (iii) Electric City is duly licensed by the Montana Public Service Commission as an "electricity supplier" under the Customer Choice Act, with the authority to provide electricity supply services to certain classes of electricity consumers within the State; and (iv) Electric City has the power to enter into this Agreement and to perform and observe the agreements and covenants on its part contained herein and by proper corporate action has duly authorized the execution and delivery hereof.

- (b) Customer hereby represents, covenants, and warrants to Electric City as follows:
- (i) Customer has the power to enter into this Agreement and to perform and observe the agreements and covenants on its part contained herein and by proper corporate action has duly authorized the execution and delivery hereof.

Section 10.2: Dispute Resolution.

The Parties agree to attempt, in good faith, to resolve informally and promptly any controversy or claim arising out of any matter relating to this Agreement in discussions to be undertaken by senior executives of the Parties. Thereafter, any claim or dispute arising out of or relating to this Agreement, which the parties are unable to resolve after senior executives meet, shall be submitted to non-binding mediation. Any mediation of a Dispute under this Section will be conducted by Judicial Arbitration and Mediation Services, Inc. (“JAMS”) in a mutually-agreed upon location. Each Party shall bear its own expenses with respect to mediation. The Parties shall equally share the fees and expenses of the mediator and related facilities. Each Party shall be represented in the mediation by representatives having final settlement authority with respect to the Dispute(s). Any Dispute not finally resolved within ninety (90) days after mediation may be resolved through resort to judicial process.

Section 10.3: Governing Law.

This Agreement must be construed and its performance enforced under the laws of the State of Montana, excluding any choice of law or rules that would otherwise require the application of the laws of any other jurisdiction.

Section 10.4: Interpretation.

In this Agreement, (a) words denoting the singular shall include the plural and vice versa; (b) the references to “Section” or “Article” mean the specified Section or Article of this Agreement and the expressions “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this Agreement as a whole and not to any particular Section, subsection or other subdivision, attachment or schedule; (c) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; (d) the use of words with a particular gender and where applicable, to a corporation, shall not limit the scope or exclude the application of any provision of this Agreement to such person or person(s) or circumstances as the context otherwise permits; (e) the headings of Articles and Sections in this Agreement are inserted solely for the convenience of reference and are not intended as complete or accurate descriptions of their content; and (f) all dollar amounts referred to in this Agreement are in United States dollars unless otherwise noted.

Section 10.5: Assignment.

Neither Party shall assign this Agreement or its rights without the prior written consent of the other Party, which consent shall not be unreasonably withheld; provided that Electric City may pledge its rights and interests under the Agreement to secure the financing for its interest in HGS and the indenture trustee for or any receiver in connection with such financing shall be a third-party beneficiary of this Agreement.

Section 10.6: Entire Agreement.

This Agreement amends, restates, and supercedes the Previous Contract and contains the Parties' final and mutual understanding relating to the matters in this Agreement. This Agreement supersedes and replaces all prior agreements and understandings, whether written or oral. This Agreement may not be modified or replaced except by another written agreement signed by an authorized representative of each Party.

Section 10.7: Waivers.

None of the requirements of this Agreement shall be considered waived by either Party unless the waiver is written and signed by an authorized representative of the Party. Further, no waiver by either Party hereto of any one or more defaults by the other in the performance of any of the provisions of this Agreement shall be construed as a waiver of any other default or defaults whether of a like kind or different nature.

Section 10.8: Severability.

If any provision of this Agreement is held invalid or unenforceable, all other provisions shall not be affected. With respect to any provision held invalid or unenforceable, the Parties shall amend or modify this Agreement as necessary to effect as closely as possible the Parties' original intent.

Section 10.10: No Third-Party Beneficiaries.

Except as provided in Section 10.5, nothing in this Agreement, either expressed or implied, is intended or shall be construed to create in favor of any person or entity not a Party to this Agreement any rights or remedies under this Agreement except for a successor or permitted assignee of a Party.

Section 10.11: Further Assurances.

Consistent with the Parties' intention to provide for the long-term supply of Electricity under this Agreement at stable, cost-based rates, if either Party reasonably determines or is reasonably advised that any further instruments, actions, or any other things are necessary, prudent, or desirable to effectuate the terms of this Agreement, the other Party shall execute and deliver all such instruments and assurances and do all things reasonably necessary to carry out the terms of this Agreement.

Section 10.12: Time of Essence.

Time shall be of the essence in this Agreement.

Section 10.13: Counterparts.

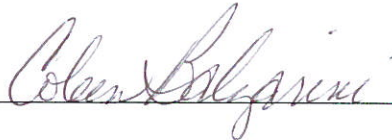
This Agreement may be executed in any number of counterparts and each executed counterpart shall have the same force and effect as an original instrument.

*SIGNATURE PAGE ATTACHED*



IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as follows:

**ELECTRIC CITY POWER**

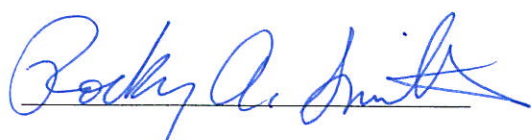
By: 

Name: Coleen Balzarini

Title: Executive Director

Date: 9/30/07

**BARRETTS MINERALS INC.**

By: 

Name: Rocky A. Smith

Title: Operations Manager

Date: 9/28/07

**Schedule A**  
Barretts Minerals Inc.  
Customer Identification No. 630325

<b>Meter No.</b>	<b>Location</b>
DD49235149	South of Dillon
DG93145647	Highway 91, South Dillon, Montana
XEL0197	South of Dillon
DG17942954	Highway 91, South Dillon, Montana



**Electric City Power**  
*A Service of the City of Great Falls*

Schedule B  
 Barretts Minerals Inc.  
 Customer Identification No. 630325

PO Box 5021 • Great Falls, Montana 59403

**POWER SUPPLY CONTRACT**

This agreement is subject to arbitration pursuant to the Montana Uniform Arbitration Act, Title 27, Chapter 5, and Montana Code Annotated

This Power Supply Contract (hereinafter "Agreement") is made, as of the Effective Date, by and among, the City of Great Falls, a municipal corporation of the State of Montana (hereinafter "City"), Electric City Power, an electricity supplier licensed by the Montana Public Service Commission (hereinafter "ECP"), and Barretts Minerals Inc ("Barretts"), a Montana Corporation, each a "Party" and, collectively, the "Parties".

WHEREAS, Barretts owns and operates a Talc Processing Facility (the "Facility") at a site located at 8625 Highway 91 South, Dillon, Montana; and

WHEREAS, Barretts desires to receive its total electricity requirements from ECP to service the Facility upon completion; and

WHEREAS, ECP and City have the means and capacity and are willing to sell the service mentioned herein to Barretts on terms and conditions mutually agreeable.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreement set forth herein, the Parties agree as follows:

**Article 1**  
Definitions

1.1. Definitions. The following definitions, and any terms defined elsewhere, in the Agreement apply to this Agreement and all communications under this Agreement.

"Business Day" means a day, other than a Saturday, Sunday, or a statutory holiday in Montana.

"Contract Price" has the meaning given to it in Section 5.1.

"Delivery Point" means the point where Barretts' underground distribution wires are terminated at the meter.

"Effective Date" has the meaning given to it in Section 3.2.

"Electricity" shall mean electric demand and energy.

"Force Majeure" has the meaning given to it in Section 8.1.

"In Service Date" means the "In Service Date", and any extensions agreed to within the "Agreement for Legal, Right of Way, and Engineering Service Costs", between Barretts and ECP.

"Northwestern" means Northwestern Energy and any successor thereto that operates the electric distribution system which provides the delivery to the Facility.

## Article 2 Sale and Purchase

2.1. Sale and Purchase of Electricity. Under this Agreement, and pursuant to its terms, ECP agrees to sell and deliver or make available, or cause to be delivered or made available, and Barretts agrees to purchase and receive or cause to be received, at the Delivery Point, the amount of Electricity set forth in Section 2.2. In consideration thereof, Barretts shall pay to ECP the Contract Price set forth in Section 5.1, and shall comply with the terms and conditions of this Agreement.

2.2. Full Requirements. The quantity of Electricity that Barretts shall purchase and receive from ECP under this Agreement shall be the full amount of Electricity that is required for all of Barretts' operations at the Facility during the Term of this Agreement. In satisfying Barretts' requirements, ECP shall deliver to Barretts 4 mWhr/hr on a "flat" basis (24 hours per day, seven days per week) during the term of this Agreement. This Section shall not be deemed to prohibit Barretts from utilizing Electricity generated by a standby generation plant, owned and/or operated by Barretts, to the extent the use of such Electricity may be required for short-term emergency or reliability purposes. Barretts must provide ECP with as much advance notice as possible of any significant changes in load requirements due to scheduled Facility Maintenance or similar activities. ECP and City agree, individually and collectively, to use their best efforts to meet Barretts' electricity needs, at all times and without disruption or diminution in service, for the life of this Agreement.

2.3. No Resale. Barretts agrees that it will not sell or otherwise transfer any of the Electricity delivered to it under this Agreement to any third Party without ECP's prior written consent.

2.4. Transmission and Scheduling. ECP shall arrange and be responsible for transmission service to the Delivery Point, and shall schedule or arrange for scheduling services with its transmission providers.

## Article 3 Term and Effective Date

3.1. Term. Subject to Section 7.1 (a), this Agreement shall be in full force and effect from the Effective Date to and ending 12:00 midnight June 30, 2011 (the "Term").

3.2. Effective Date. This Agreement shall be effective on the date of its execution and delivery by the Parties ("Effective Date").

3.3. Commencement of Delivery. The date of first delivery of Electricity under this Agreement shall be 12:01AM July 1, 2007.

**Article 4**  
**Technical and Service Requirements**

4.1. Interconnection. Barretts agrees that its electrical interconnection facilities will meet or exceed all applicable standards of the American National Standards Institute, Inc. ("ANSI") and the Institute of Electrical and Electronics Engineers ("IEEE") for interconnection with Northwestern's existing power system. All design and specification information relating to Barretts' electrical interconnection facilities must be submitted to ECP for review and comment prior to construction of or changes to same.

4.2. Safety Equipment. Barretts shall be responsible for providing adequate equipment to protect itself from any unauthorized use or misuse of electricity, system power surges, curtailment, and similar events. Barretts shall also be responsible to provide adequate safety protection and appropriate fuses or thermal(s) for all of its electrical equipment. Barretts shall indemnify, defend, and hold City and ECP harmless for any loss or liability, to any person whatsoever, for any failure of Barretts to provide adequate safety equipment or for any failure of such equipment to operate properly. Barretts assumes no liability or responsibility for any act or omission, whatsoever, alleged to have been committed by City and/or ECP

4.3. Standard of Service. ECP will use reasonable diligence to provide a constant and uninterrupted supply of Electricity to Barretts under this Agreement. If the supply of Electricity fails or is interrupted or becomes ineffective due to a force majeure event, ECP shall not be liable therefore or for damages caused thereby. Without limitation on the generality of the foregoing, in performing its obligations under this Agreement, ECP shall:

- (a) manage and maintain its electrical supply portfolio in a commercially reasonable manner to provide resources sufficient to render service to Barretts in accordance with this Agreement; and
- (b) take all commercially reasonable actions to secure firm transmission service necessary to meet its service obligations hereunder and to prevent diminutions, interruptions or outage in Electricity deliveries.

4.4. Compliance. Barretts and ECP agree to abide by all statutes and all rules and regulations of the Montana Public Service Commission and the City of Great Falls Commission, including the applicable requirements of all permits issued to ECP by any of such agencies. All such rules and regulations are hereby incorporated by reference and made a part of this Agreement. Specific rules and regulations are stated in Montana Code Annotated, Title 69, Chapters 8, Electric Utility Industry Restructuring, and the administrative rules of the Montana Public Service Commission.

4.5. Access. Barretts grants ECP's agents or other authorized persons access at reasonable hours upon reasonable prior notice from ECP to Barretts to inspect the meters and related equipment provided that:

- (a) such inspections shall be performed in a manner which will not interfere with Barretts' operations; and

- (b) ECP will indemnify, defend and hold harmless Barretts from any and all damages, suits, claims, injury to person or persons (including death) or injury to property, costs and expenses of any kind or nature, including reasonable attorneys' fees, arising from the acts or omissions of ECP during any such inspection.

**Article 5**  
Contract Price

5.1. Contract Price. The price paid by Barretts to ECP for Electricity delivered or made available to it under this Agreement shall be the sum of the following:

- (a) Supply Charge: the supply charge payable per mWh under this Agreement shall be at \$48.35 for the 4 mWh/hr flat block pursuant to paragraph 2.2. In addition, Barretts shall be responsible for any hourly energy delivery imbalances when its actual load is more than 4 mWh/hr for the corresponding hour, plus any applicable fees and charges assessed on account of such imbalances. When its actual load is less than 4 mWh/hr for the corresponding hour, it shall be entitled to a credit for the imbalance, less applicable fees and charges associated with the imbalance.
- (b) Transmission Charge: the price payable per mWh delivered under this Agreement shall initially be at \$7.40 through December 31, 2007. Transmission rates are recalculated annually. The transmission charge payable per mWh during each year after December 31, 2007 shall be the recalculated price. ECP shall notify Barretts of its transmission charge in March for each ensuing year. Barretts will also be responsible for any additional distribution charges assessed by Northwestern Energy or any successor for delivery from Seller to Buyer.
- (c) General and Administrative Charge: three percent (3%) of the Supply Charge.

5.2. Distribution. Barretts shall make and maintain the necessary arrangements for the distribution of the electricity by Northwestern Energy ("Northwestern Energy"), as applicable, pursuant to Northwestern's Tariff Schedule GS-2. ECP shall be responsible for all dispatching and scheduling of electricity under both the supply and transmission arrangements with Northwestern. Detailed charges and responsibilities of ECP and Northwestern as listed below are billed and payable to ECP and Northwestern respectively:

ELECTRIC CITY POWER	NORTHWESTERN ENERGY
Electric Supply	Distribution Demand
Electric Transmission	Distribution Delivery
G&A Charge	CTC-QF
	USBC

**Article 6**  
Payment, Billing, and Security

6.1. Invoicing and Payment. ECP will render a monthly billing statement for the 4 mWh flat block charges pursuant to paragraph 2.2 in respect to the Electricity provided during the preceding month. Charges and credits for supply imbalances during the preceding month will be included on the succeeding monthly billing statement. ECP will adjust the succeeding monthly billing statement for supply imbalances to reconcile and net those charges and credits. Payments under this Agreement for all portions of the invoice shall be due and payable on or before the 15th day after the monthly billing statement date for the previous month's service. If Barretts has not paid by such date and, thereafter, within ten (10) days after receipt of notice from ECP of its failure to timely make such payment, the account will be deemed delinquent. In the event of delinquency by Barretts to pay timely any amount owed to ECP hereunder, ECP shall be entitled to draw upon security established in Section 6.4 to satisfy Barretts' payment obligation.

6.2. Disputed Amounts. Except with respect to billing adjustments pursuant to Section 6.3 below, if Barretts in good faith disputes an invoice, it must promptly provide ECP with a written statement detailing the basis for the dispute and must pay the full amount invoiced. The Parties will diligently proceed in good faith to resolve disputed invoices. Disputed amounts determined to be incorrect will be credited back to Barretts within ten (10) days after the determination.

6.3. Billing Adjustments. If the meter fails to register for any period, the parties will attempt to agree as to the amount of energy furnished during such period and in the event of non-agreement, ECP and Barretts agree that payment shall be based on past averages for the monthly services rendered in any similar preceding operating period of Barretts, plus or minus any accumulated changes in Facility operation during the period of meter failure.

6.4. Security. Barretts shall provide security for its payment obligations hereunder in the form of (a) cash, or (b) an irrevocable letter of credit issued by a financial institution rated at least "A" by Moody's or Standard & Poor's, or (c) an irrevocable guaranty issued by an entity rated at least "A" by Moody's or Standard & Poor's, or (d) a surety bond issued by an insurance company rated at least "A" by Moody's, Standard & Poor's or A.M. Best, or (e) such other forms of security as may be agreed to by the Parties, and in writing. The amount of such security shall be equivalent to the estimated charges for two months of services, and shall remain in place for the term of this agreement. The security, if in cash form, shall be deposited into an interest bearing account of ECP's choosing and accumulated interest shall be distributed to Barretts in terms agreed upon by the Parties. In the event ECP has exercised its right to draw upon security, Barretts shall within fifteen (15) days restore or replenish such security to the required amount. The failure by Barretts to restore or replenish such security within such fifteen (15) day period shall constitute a default by Barretts hereunder and ECP shall have the immediate right to terminate this Agreement upon notice to Barretts. At the time ECP provides such additional notice of termination to Barretts, ECP will also inform the distribution utility of the effective date of such contract termination. Barretts shall have the right, upon reasonable notice and during regular business hours, to audit ECP's records supporting any charge hereunder.

**Article 7**  
Termination and Default

7.1. Events of Default. If either Party defaults in its material obligations under this Agreement (other than payment defaults covered by Section 6.1) and such default remains unremedied for a period of sixty (60) days after receipt of written notice from the non-defaulting Party (except for defaults under Sections 6.1 and Section 6.4), then:

- (a) The non-defaulting Party may terminate its obligation to purchase Electricity under this Agreement (as applicable) and in the case of Barretts return to default supply electric service.
- (b) if Barretts is the defaulting Party, ECP shall be entitled to liquidated damages for a period equal to the product of (i) the number of months remaining in the term of this Agreement, (ii) the positive difference, if any, between the Supply Charge payable pursuant to Section 5.1(a) and comparable charge obtained by ECP in a replacement sale, and (iii) the average monthly Electricity deliveries to ECP (in Mega Watt-hours) under this Agreement for the twelve (12) calendar months immediately preceding such termination.
- (c) if ECP is the defaulting Party, Barretts shall be entitled to liquidated damages for a period equal to the product of (i) the number of months remaining in the term of this Agreement, (ii) the positive difference, if any, between the Supply Charge payable pursuant to Section 5.1(a) and comparable charge obtained by Barretts in a replacement sale, and (iii) the average monthly Electricity deliveries to Barretts (in Mega Watt-hours) under this Agreement for the twelve (12) calendar months immediately preceding such termination.

7.2. Mitigation: ECP shall act in a commercially reasonable manner to mitigate its damages under Section 7.1(b). Neither Party may terminate this Agreement, or default on this Agreement, with the sole intent of selling or purchasing supply electrical service to or from another, non-affiliated Party.

**Article 8**  
Force Majeure

8.1. Force Majeure Event. For purposes of this Agreement, Force Majeure shall mean any event or occurrence which causes the inability of either Party to perform under this Agreement and which is not reasonably within the control of the Party seeking to claim such event as a Force Majeure event. Force Majeure shall include, but not be limited to, the following:

- (a) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms, or storm warning, such as tornados, which result in evacuation of affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery, equipment or lines of electric transmission or distribution systems; or



- (b) interruption, diminution, or curtailment of the supply of Electricity from the distributor to ECP for reasons which themselves would constitute force majeure under the distribution agreement between ECP and its supplier; or
- (c) an event or circumstance by reason of which Electricity cannot be physically delivered to or received by Barretts at the Delivery Point other than as a result of an act or failure to act by any of the parties hereto; or
- (d) acts of others including, but not limited to, strikes, lockouts, or other industrial acts of others, or other industrial disturbances, riots, sabotage, insurrections of wars; or
- (e) governmental actions (other than any governmental actions at the municipal or city level) such as those requiring compliance with any court order, administrative order, fine, penalty, enforcement order, directive, law, statute, ordinance or regulation promulgated by a governmental authority having jurisdiction.

8.2. Performance Excused; Obligations Suspended. If a Party is unable to perform all or part of its obligations under this Agreement (other than obligation to make payments) due to Force Majeure, and such Party notifies the other Party as soon as is practicable of the Force Majeure and the extent to which the Force Majeure is expected to impact such Party's performance, then the failure by the affected Party (the "Claiming Party") to perform is excused to the extent and for the duration of the Force Majeure, and the obligations of the Claiming Party shall be suspended to the extent and for the duration of the Force Majeure. The Claiming Party shall use commercially reasonable efforts to eliminate or avoid the Force Majeure and resume performing its obligations.

## **Article 9**

### Remedies, Indemnity and Insurance

9.1. Limitation on Damages. If no remedy or measure of damages is expressly provided for with regard to a breach of this Agreement, then the liability of the breaching Party is limited to direct damages actually suffered by the non-breaching Party. Neither Party is liable for incidental, indirect, consequential or punitive damages resulting from or arising out of this Agreement including, without limitation, lost profits or business interruption, regardless of how such damages are caused, including the sole, joint or concurrent negligence of either Party, and each Party hereby releases the other from such damages.

9.2. Remedies Cumulative. The rights and remedies contained in this Article 9 are cumulative with all other rights and remedies contained herein and exercise of the remedies contained in this Article does not preclude a non-defaulting Party from exercising any other rights or remedies contained in this Agreement, or existing at law or in equity.

9.3. Insurance.

- (a) Barretts shall procure and maintain during the Term of this Agreement, a policy or policies of commercial general liability insurance coverage for activities at the Facility to include, without limitation, bodily injury, death, property damage and contractual liability, in an amount not less than \$1,500,000 per occurrence and \$2,000,000 in the aggregate. Any policy or policies required hereunder written on

a claims made shall provide an extended reporting endorsement (tail coverage) covering ECP and its employees and agents for claims incurred during the term of this Agreement but not reported until after termination of this Agreement. In addition, should Barretts change insurance companies relative during the term of this Agreement, Barretts shall maintain coverage which includes claims incurred but not reported under the prior coverage (prior acts coverage). All such insurance is to be issued by insurance carriers authorized to do business in the State of Montana, and each such insurance policy shall provide that ECP shall be given not less than thirty (30) days prior written notice of any material reduction in coverage or of any cancellation of the policy or upon ten (10) day's written notice for nonpayment of insurance premiums. Within thirty (30) days of the Effective Date Barretts shall provide ECP with certificates evidencing the foregoing insurance coverage.

- (b) ECP, as a division of the City, agrees to carry and keep in force, at its own expense and with a financially responsible insurance carrier satisfactory to Barretts, a policy or policies of commercial general liability insurance covering, without limitation, bodily injury, death, property damage and contractual liability in an amount not less than \$1,500,000 per occurrence. ECP's insurance carrier will provide Barretts with evidence of coverage, and amendments or changes thereto for the duration of this agreement. ECP shall notify Barretts no less than ten (10) days prior to any cancellation, termination or modification of this insurance. ECP shall name Barretts as an additional insured on any policy or polices and include waivers of subrogation.

9.4. Indemnification. In addition to and not in derogation of specific indemnity obligations set forth in other parts of this Agreement, Barretts shall indemnify and hold harmless ECP including, without limitation, ECP's agents, officers, employees and members, from any claim, right or cause of action arising out of or in any way connected with the negligence or willful act of Barretts, or its agents or employees acting within the scope of their employment, which is in any way connected with injury to or the death of any person or damage to real or personal property resulting from or arising out of any breach by Barretts of any provisions of this Agreement. In addition to and not in derogation of specific indemnity obligations set forth in other parts of this Agreement, ECP shall indemnify and hold harmless Barretts including, without limitation, Barretts' agents, officers, employees and members, from any claim, right or cause of action arising out of or in any way connected with the negligence or willful act of ECP, or its agents or employees acting within the scope of their employment which is in any way connected with injury to or the death of any person or damage to real or personal property resulting from or arising out of any breach by ECP of any provisions of this Agreement.

## Article 10

### Notices

10.1. Notices. All notices and requests pursuant to this Agreement shall be given by either facsimile, prepaid registered or certified mail return receipt requested, private courier service, or by personal delivery, and shall be deemed to have been given on the date received, except

facsimile notification shall be deemed given when sent, and shall be sent to the following addresses or facsimile numbers:

Notices and Billing:

Barretts Minerals Inc.  
Attention: Purchasing Manager  
8625 Highway 91 South  
Dillon, MT 59725  
Telephone: (406) 683-4231  
Facsimile: (406) 683-3351

Electric City Power  
Attention: Fiscal Services  
PO Box 5021  
Great Falls, MT 59403  
Telephone: (406) 455-8478  
Facsimile: (406) 452-8048

Payments Wired:

To ECP:

First Interstate Bank  
Great Falls, Montana  
ABA# 092901683  
Account # 961426  
RE: Barretts Minerals Inc.

Either Party may change its notice address by written notice to the other Party, which notices shall be effective only upon receipt.

**Article 11**  
Miscellaneous

11.1. Easements. For the Term of this Agreement, Barretts agrees to provide ECP with a license agreement for the duration of this Agreement for access over, across, and upon Barretts' property which are deemed necessary by ECP, acting reasonably, to construct, maintain, and, if necessary, remove such facilities as may be necessary for ECP to deliver Electricity to Barretts at the Delivery Point, provided that any right-of-way shall be sited and used by ECP so as to not interfere with Barretts' operations.

11.2. Dispute Resolution. The Parties agree that they will, in good faith, attempt, initially, to resolve informally and promptly any controversy or claim arising out of any matter relating to this Agreement in discussions to be undertaken by senior executives of the Parties. If not so resolved, the Parties agree that such claim or controversy shall be resolved exclusively by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association currently in effect, except that any Party may elect, upon giving or receiving a notice of demand for arbitration, to have the discovery rights and procedures provided by the Montana or the Federal Rules of Civil Procedure be available and enforceable within the arbitration proceeding. The award rendered by the arbitrator(s) shall be final, and

judgment may be entered thereon in accordance with applicable law in any court having jurisdiction thereof.

11.3. Governing Law. This Agreement must be construed and its performance enforced under the laws of the State of Montana, excluding any choice of law or rules that would otherwise require the application of the laws of any other jurisdiction.

11.4. Interpretation. In this Agreement:

- (a) words denoting the singular shall include the plural and vice versa;
- (b) the references to "Section" or "Article" mean the specified Section or Article of this Agreement and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement as a whole and not to any particular Section, subsection or other subdivision, attachment or schedule;
- (c) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles;
- (d) the use of words with a particular gender and where applicable, to a corporation, shall not limit the scope or exclude the application of any provision of this Agreement to such person or person(s) or circumstances as the context otherwise permits;
- (e) the headings of Articles and Sections in this Agreement are inserted solely for the convenience of reference and are not intended as complete or accurate descriptions of their content; and
- (f) all dollar amounts referred to in this Agreement are in United States dollars unless otherwise noted.

11.5. Assignment. Neither Party shall assign this Agreement or its rights without the prior written consent of the other Party, which consent shall not be unreasonably withheld; provided, however, that ECP may pledge its rights and interests under the Agreement to secure the financing for its interest in the HGS.

11.6. Entire Agreement. This Agreement contains the Parties' final and mutual understanding relating to the matters in this Agreement and supersedes and replaces all prior agreements and understandings, whether written or oral. This Agreement may not be modified or replaced except by another written agreement signed by an authorized representative of each Party.

11.7. Waivers. None of the requirements of this Agreement shall be considered waived by either Party unless the waiver is written and signed by an authorized representative of the Party. Further, no waiver by either Party hereto of any one or more defaults by the other in the performance of any of the provisions of this Agreement shall be construed as a waiver of any other default or defaults whether of a like kind or different nature.

11.8. Severability. If any provision of this Agreement is held invalid or unenforceable, all other provisions shall not be affected. With respect to any provision held invalid or unenforceable, the Parties shall amend or modify this Agreement as necessary to effect as closely as possible the Parties' original intent.

11.9. Headings. The headings used in this Agreement are for convenience and reference purposes only and do not effect the interpretation of this Agreement.

11.10. Preparation of Agreement. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the manner in which this Agreement was negotiated, prepared, drafted, or executed.

11.11. No Third-Party Beneficiaries. Nothing in this Agreement, either expressed or implied, is intended or shall be construed to create in favor of any person or entity not a Party to this Agreement any rights or remedies under this Agreement except for a successor or permitted assignee of a Party.

11.12. Further Assurances. If either Party reasonably determines or is reasonably advised that any further instruments or any other things are necessary or desirable to carry out the terms of this Agreement, the other Party shall execute and deliver all such instruments and assurances and do all things reasonably necessary to carry out the terms of this Agreement.

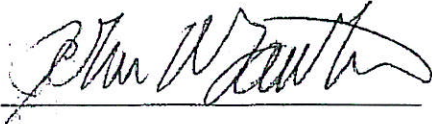
11.13. Time of Essence. Time shall be of the essence in this Agreement.

11.14. Counterparts. This Agreement may be executed in any number of counterparts and each executed counterpart shall have the same force and effect as an original instrument.

*SIGNATURE PAGE ATTACHED*

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as follows:

**CITY OF GREAT FALLS, MONTANA**

By: 

Name: John Lawton

Title: City Manager

Date: 6-4-07

**BARRETT'S MINERALS INC.**


By: 

Name: Rocky A. Smith  
North American Talc

Title: Operations Manager

Date: 5/29/07

**ELECTRIC CITY POWER**

By: 

Name: Coleen Balzarini

Title: Executive Director

Date: 5/4/07

RECEIVED  
MAY 10 2007  
CITY OF GREAT FALLS