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February 5, 2009

Dr. John Byrne
278 Graham Hall
Center for Energy & Environmental Policy
University of Delaware
Newark, DE 19716

Re: Proposed Tax Exempt Revenue Bond Financing for
Delaware Sustainable Energy Utility (the "SEU")

Dear Dr. Byrne:

You have asked for additional fee information with respect to our proposed service as bond counsel in connection with the above-referenced \$30 million tax exempt revenue bond financing. If accepted, this letter will confirm the terms of our representation as bond counsel in connection with the proposed financing.

The bonds will be fixed rate bonds issued by The Delaware Economic Development Authority ("DEDA"). The bonds will be a general obligation of the SEU, secured by a pledge of the revenues and funds held under the Trust Indenture pursuant to which the bonds are issued but otherwise will be unsecured. It is expected that the bonds will be issued within 180 days.

As bond counsel, we will perform the following services in connection with the financing plans outlined above:

1. Review the SEU's application to DEDA prior to filing.
2. Assist the SEU in discussions with DEDA scheduling the necessary meetings, hearings and approvals and presenting the application at such meetings.
3. Prepare the bond financing documents and other closing documents including an Indenture and Loan Agreement. (We anticipate that the counsel to the underwriter will draft the offering document, the bond purchase agreement and continuing disclosure agreement for the bonds and that tax counsel will prepare all necessary tax documents.) We will draft certain portions of the offering document and will review other portions.

4. Schedule and conduct working group meetings and telephone conferences to discuss and finalize the transaction documents.

5. Conduct the closing.

6. Deliver our opinion at closing to the effect that the bonds are valid and binding obligations of DEDA and that the interest thereon is excluded from gross income for state tax purposes. We understand that special tax counsel will deliver the opinion that the interest on the bonds is excluded from gross income for federal income tax purposes and that in order to give such opinion they will review the SEU's qualified 501(c)(3) status and reconfirm that such status does exist.

7. Prepare CD transcripts of the bond proceedings for all parties.

In setting our fees for a project of this type, we review the tasks accomplished and the time devoted by each lawyer and each legal assistant involved in light of that person's experience and expertise. We comply with the applicable provisions of the Delaware Lawyers' Rules of Professional Conduct, which identify the following factors to be considered as guides in determining the reasonableness of a fee: time and labor required; novelty and difficulty of the questions involved; skill requisite to perform the legal service properly; likelihood that acceptance of the particular employment will preclude other employment by the law firm or lawyer; fees customarily charged in the locality for similar legal services; amount involved and, results obtained; time limitations imposed by the client or by the circumstances; nature and length of the professional relationship with the client; experience, reputation and ability of the lawyer or lawyers performing the services; and whether the fee is fixed or contingent.

Maryann Piper and I will be primarily responsible for the work on this matter. We will involve other Ballard lawyers and legal assistants to the extent that your needs, including economy, expertise and timing, make this desirable. Generally, we try to make assignments to the most junior (and least expensive) person who is available and capable of doing the work well.

Based on the scope of services outlined above, and at your request, our fees for this project will not exceed \$40,000 as Bond Counsel. Of course, if the project turns out to be less time demanding than we anticipate, our fees will be appropriately lower than those estimates. Likewise, any services rendered outside of the scope set forth above, will be billed separately. If the project is terminated prior to the sale of the Bonds, we will bill you based on the amount of time we have devoted to the project to that point.

In addition to our fees, we will bill you for our costs for such things as publication costs, travel expenses, conference call telephone charges, photocopying, special delivery services and computer research. Smaller amounts are usually advanced by us subject to reimbursement by you. However, we may request that you pay any of such expenses directly.

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Our fees and expenses are due upon presentation of a statement. If our statements are not paid within thirty days, we charge interest at the rate of 2% per month, and you will be required to pay any costs of collection.

If the foregoing is satisfactory, please sign and return to us a copy of this letter to signify your agreement.

We appreciate having the opportunity to work with you on this project, and we look forward to a successful completion of your proposed financing.

Very truly yours,



Emilie R. Ninan

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